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# South and East Asia Report

No. 1041

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## GANDHI REMARKS REFLECT FOREIGN POLICY DILEMMA

Bombay THE TIMES OF INDIA in English 11 Jul 81 p 8

[Editorial]

[Text]

Much of what Mrs. Gandhi said at her press conference in New Delhi on Friday reflects the excruciating dilemma facing the government and the country. On the one hand, New Delhi must strongly oppose, as indeed it has been doing for some time, the Western, principally American, policies which are pushing the sub-continent into a dangerous — and horrendously expensive — arms race. On the other, it has come to depend more and more on Western, again largely American, funds to help finance its mounting oil import bill and keep up the momentum of growth. With its Mirages, the deep-strike capability of Pakistan's air force, as the Prime Minister was at pains to emphasise, already is, and will continue to remain for some years, "three times that of our own". The induction of American F-16 aircraft into the PAF will tilt the balance of air power even more decisively in favour of Islamabad. With so many key industries — fertiliser plants, petro-chemical complexes, nuclear stations and oil installations — sited at vulnerable locations, no government worth its salt in New Delhi can afford to sit back and do nothing to redress the balance. Mrs. Gandhi has expressed scepticism, justified in the immediate context, about the theory of nuclear deterrence. But this can only further impel the government to step up expenditure on conventional weapons even though it needs to conserve every penny for development. The government has already initiated whatever is needed by way of new programmes, policies or priorities to achieve a faster rate of economic growth and ensure a more equitable distribution of its fruits, and Mrs. Gandhi had nothing more to reveal. The fact remains that all this is not enough to bring the goal of self-reliance, let alone self-sufficiency in energy and key commodities, within sight. On its own showing, the government will import substantial quantities of wheat, edible oils and sugar in this year of bumper harvests as part of its strategy to control inflation. And it has asked for the biggest ever loan of four billion dollars from the IMF — on top of its sizable borrowings from the Eurodollar market, the Aid-India Consortium and the oil-rich states — to get over its balance of payments difficulties.

How long can the country rely on external assistance on such a scale? True, the need to secure massive injections

of foreign "aid" would have been even greater but for the energetic steps taken by Mrs. Gandhi and her cabinet colleagues last year to improve the infrastructure. But the signs are that the impetus imparted to the economy in consequence is beginning to wane. Almost all the economic indicators for the last two or three months are pretty depressing. While the government's policies and programmes are reasonably well-conceived, the administration is simply unable to implement them efficiently and in a sustained manner due to either a lack of firm direction from the top or its own incoherence. Ironically, this is happening when Mrs. Gandhi and her party are politically supreme at the Centre and in most of the states. At her first press conference in New Delhi in October, she had left open the possibility of another cabinet reshuffle to get rid of "dead wood" and induct new talent. Ominously, this time she has ruled it out, possibly because there is none.

CSO: 4220/7267

REPORT ON GANDHI ANSWERS TO NEWSMEN'S QUESTIONS

New Delhi PATRIOT in English 11 Jul 81 pp 1, 7

[Excerpt] The Prime Minister's press conference which lasted 75 minutes, covered a wide variety of subjects such as India's nuclear option, performance of Congress-I Chief Ministers, the role of the Opposition, Mr Y B Chavan's entry into the Congress-I, conversion of Harijans to Islam the Khalistan movement the postponement of the Garhwal parliamentary election and the Government's attitude towards the judiciary and the election Commission.

No Cabinet Expansion

Mrs Gandhi said there was no proposal at present to expand her Cabinet.

She was asked: What is delaying expansion of your Cabinet? Do you propose to do it before the monsoon session of Parliament beginning next month.

Mrs Gandhi: Since there is no proposal, there is no question of delay.

Mrs Gandhi denied that the Government is planning to amend the Constitution to introduce the presidential system of Government in the country.

She said it was not true that the Government had set up a committee to study the various governmental systems.

Mrs Gandhi did not agree with a questioner that she had gone back on her commitment to maintain the basic features of the Constitution.

She said the basic feature was not changed by the constitutional amendment during her emergency rule making India not only a democratic but a socialist and secular republic.

The Prime Minister said that the Centre was not interested in toppling non-Congress-I State Governments, some of which were nearing the end of the five-year period.

Asked at her press conference about statements of some Union Ministers and whether these had her 'blessings', Mrs Gandhi said, "we were not and we are not interested in toppling any Government".

She said what any Union Minister said was not to 'threaten' any non-Congress-I Government but 'merely echoed' what the people there had said, namely, that the law and order situation was very grim.

The Prime Minister referred to political murders in Kerala which, she said, were 'quite frequent'. She said her party was 'not in that battle'. But a number of people were killed. Basically, it was another grouping. "I am told a lot of Marxists are leaving their party and joining this group. This is what the ordinary people say, not the rich or middle class but the poor people who say these things.

If a (Central) Minister goes to a State, he should draw the attention of that Government to expression of the feelings of the people", Mrs Gandhi added.

Mrs Gandhi said States were welcome to attract petro-dollars for investment in development but they must do so in concurrence with the Centre.

She said "we welcome the State Governments' efforts to get petro-dollars from many countries. But the Finance Minister must look into every deal.

"The States should go through the Centre. They can make efforts through the Centre", she said.

Asked if she proposed to change leadership in some States, she said: when a leader (in the State) is changed you will know about it. I do not think one can keep it a secret.'

The Prime Minister did not make any comment on the question if she was satisfied with the performance of some of her Cabinet colleagues.

#### Assam Issue

Mrs Gandhi was asked about the present performance of the Railway Ministry, as compared to when it was headed by Mr Kamalapati Tripathi. The Prime Minister replied she had not made any comment on the performance of the Railway Ministry even then when Mr Tripathi was the Minister. What she had said was that the railways were in a bad way. It was not easy to bring them on the level of earlier performance.

"I had also said a lot had been done but much remained to be done. I made similar comments about other Ministries. I did not single out any Ministry", she added.

The Prime Minister denied that the public distribution has collapsed with the exit of Mr V C Shukla from the Union Cabinet.

"It is a gigantic problem and we have to proceed as fast as possible. In some places communications are not there, especially during monsoons" she said while replying to a questioner.

The Prime Minister was asked to comment on Karnataka Chief Minister Gundu Rao's interview to a weekly criticising some of the Central Ministers.

Mrs Gandhi replied: I believe he has apologised (to the Ministers).

She said she could not say anything at the moment on "the home coming" of Mr Y. B. Chavan. The party leaders had to meet and take a decision. Most of them were out of the country, she added.

Asked if norms were to be set up for admission of those desirous of joining the Congress-I, Mrs Gandhi replied norms were already there but views of local leaders of the party had to be taken into consideration.

Mrs Gandhi said she was not aware as to how her son, Mr Rajiv Gandhi was shaping in politics.

Replying to a question by a foreign correspondent, Mrs Gandhi said he had just been elected to Parliament. He had not even attended Parliament so far.

She remarked "you will all see for yourself his performance."

The Prime Minister said that the atmosphere for settlement of the foreigners problem in Assam was "very much better now than it was at the previous get together."

She said she was taking personal interest in the continuing talks although she was not physically present.

Mrs Gandhi said the Assamese have "genuine problems and we must try to solve them but we must see that the solution is in accordance with the national policy, international obligations and humanitarian considerations.

She said the All-Assam Students Union and the All-Assam Gana Sangram Parishad mostly agreed with Government "on the basic points."

Mrs Gandhi declined to comment on the reported move of Jammu and Kashmir Chief Minister Sheikh Abdullah to remain in office for six years, making use of the six-year term of the State Assembly.

A newsman asked Mrs Gandhi that now she looked at the reported move of Sheikh Abdullah to make use of the provisions enacted during her previous regime for a six-year term, Mrs Gandhi said 'I have no comments to make.'

In reply to another question why displaced persons from Pakistan in the Jammu area of the State were not allowed to vote in the Assembly elections, Mrs Gandhi said "it was a knotty question. I have really no comment to make. We have gone through this question number of times and I have really no answer for this.'

The Prime Minister stressed the need for remaining 'very vigilant' about the flow of foreign funds into the country.

Asked for her comment on the reported use of foreign money for religious conversion, Mrs Gandhi expressed herself strongly against the exploitation of peoples' poverty and hardships for conversion.

Mrs Gandhi said much of the foreign funds from the Arab world were coming into India for educational purposes, repairing or building of mosques. Some funds



were also coming to India from known or unknown sources and it was necessary to know how these funds were being used.

'Nobody will have any objection if anybody changed his religion voluntarily, but what is objectionable is if people's poverty and hardships are exploited for conversion,' she said.

The Prime Minister said that so far Khalistan existed only in Canada and the United States. But this did not mean 'we should lower our guards and vigilance.

Replying to a question, Mrs Gandhi said such movements had to be carefully watched and she was sure that the Sikh community, which had proved its patriotism, valour and deep involvement with development in India, 'will rebuff it.'

Mrs Gandhi had been asked about a statement of the sponsors of the Khalistan movement that they would make an 'important announcement' about a new state on 15 August.

Mrs Gandhi told a questioner that the 'impression' that the Punjab Government was not cooperating with the CBI investigations into the murder of Nirankara chief Baba Gurbachan Singh was 'unfortunate and incorrect.'

She said six persons had already been arrested in connection with the case and further investigations were on.

Such matters, she added, did take a long time in other countries too.

The Prime Minister said that she was against the use of students and teachers in the universities to serve the political interests of others.

Replying to a question, she said she was not aware of any code of conduct for universities but agreed with the questioner that students and teachers should not be used for political purposes.

She said Aligarh University was facing problems like any other university and "I don't think anything new has happened there."

Replying to a question, she said 'we must see that such things (communalism) disappear from the country altogether. Our sympathies are with those who suffer.'

Mrs Gandhi said the question of communalism was no longer religious and it was more a political and economic matter.

The questioner had sought Mrs Gandhi's comments on what he described as renewed activities of communal and reactionary elements at Aligarh University.

Mrs Gandhi said that the money being spent on the 1982 ninth Asian Games was an investment for the future.

Replying to a question, she said the games were not a 'lop-sided priority' and though the previous estimates had gone up, it was not to the extent made out in newspaper reports.



She said in the present conditions she might have had second thoughts on holding the games, but initially when the country accepted to host the games the budget was well within its capacity.

An experimental beginning in colour television will be made soon, the Prime Minister told the press conference.

Replying to a question, she said TV transmission in black and white would continue. But 'we will make an experimental beginning in colour TV soon.'

Mrs Gandhi said she was deeply distressed over the liquor tragedy in Bangalore and felt that there should have been stricter control over liquor to prevent adulteration.

'My deep sympathies to the families of those who have died,' she said.

Asked whether in view of such tragedies, there would be any change or liberalisation in the prohibition policy, Mrs Gandhi said that many States had relaxed the prohibition policy and made some provision for drinks with very little alcoholic content.

The Prime Minister said that family planning programme was successful to the extent that it prevented 39 million births.

Expressing her concern at the unabated population growth, Mrs Gandhi said though some success had been achieved in the field, still a lot had to be done to bring the population under manageable level.

If population growth went on at the present rate, it would be difficult to provide clothing, shelter and other basic necessities to the people she warned.

She, however, expressed satisfaction that family planning was one issue on which there was a national consensus. Population control movement required active support of all. It was not for the Government alone to solve this problem.

CSO: 4220/7271

## LEFT FRONTS CLASH WITH MS GHANDI

London 8 DAYS in English 1 Aug 81 pp 24-25

[Article by Sumanta Banerjee]

[Text]

AT A TIME when Indira Gandhi's party, the Congress-I (the 'I' stands for Indira) is sweeping its way through the country, the Indian communists constitute the only major opposition force to hold its ground. In Kerala at the southwestern tip, and West Bengal and Tripura in the northeast of the country, the Communist Party governs under a constitution which allows opposition parties limited power.

When by-elections were held recently in a number of parliamentary and state assembly constituencies in India, the Congress-I candidates (including Mrs Gandhi's son, Rajiv) swept the polls everywhere except West Bengal where they were beaten by candidates sponsored by the ruling Left Front government controlled by the CPI(M) — the Communist Party of India (Marxist). Other partners of the coalition are small leftist groups which also claim to be marxists.

Similar leftwing coalitions dominated by the CPI(M) govern Kerala and Tripura. In West Bengal and Tripura, the Left Front has been in power since 1977 (when general elections for the first time brought to power a coalition of non-Congress parties). In Kerala the left gained office in 1980, when elections to the state assembly there were held simultaneously with the parliamentary elections that brought Mrs Gandhi back to power.

There have not been any revolutionary changes in Kerala, West Bengal and Tripura, a fact acknowledged by the leftist ministers. According to West Bengal's chief minister, Jyoti Basu: 'Our measures have given the weaker sections in villages a sense of confidence that they never enjoyed before.' He hastened to add at the same time that there was no immediate solution to the problems of unemployment and electric power shortage that plague the state's social and economic life.

In all three states, the Left Fronts have concentrated on the rural areas — where some 80 per cent of the population live. In Kerala, a land reform act has enabled nearly half a million agricultural labourers to become owners of small plots of land on which they live. Arable land has been distributed among landless peasants and smallholders.

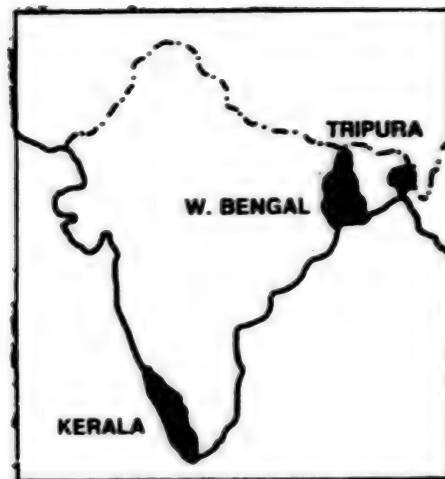
In West Bengal and Tripura, a major step was the registration of 'bargadars' or share-croppers — a class of poor peasants who work on the land of rich farmers. Until recently they had no security of employment, or any right to a share of the crop. The 900,000 sharecroppers registered so far will be legally entitled to retain their tenancy and keep their portion of the produce.

In a move to decentralise power, the West Bengal and Tripura governments

have introduced village self-government. Known as panchayats, these institutions are elected by the villagers, and decide on the local distribution of financial and food aid among agricultural labourers working on development projects. Critics, however, allege that these resources rarely reach the poor and distressed, but are cornered by CPI(M) leaders and activists.

While allegations of corruption cannot be ruled out completely, industrial strife and communal clashes in Kerala, West Bengal and Tripura are far less frequent than elsewhere in India. Since the left parties have considerable influence in the trade unions, they have been able to avert strikes. The number of working hours lost in West Bengal in 1980 in the last seven years has plummeted, a remarkable achievement in a state hitherto notorious for violent industrial relations.

Except in Tripura, where more than 1,200 people were killed in ugly clashes between tribals and non-tribals last year, the Left Front governments in both Kerala and West Bengal have been able to avoid fighting between Hindus and Muslims, or attacks on 'untouchables' (the lower caste people known as Harijans) and linguistic minorities.



The apparent caution of the Left Front governments may be explained by the ability of the New Delhi cabinet to dismiss any state government. India's first communist state administration — the Kerala government of 1957 — was sacked by Nehru after the communists pressed ahead with land and education reform. Congress-I members in the three communist run states are now pressing Mrs Gandhi to dismiss the Left Front governments.

CSO: 4220/275

## REPORT ON ALL-INDIA SIKH INTELLIGENTSIA PARLEY

Madras THE HINDU in English 12 Jul 81 p 3

[Text]

**G**IVEN the green signal by the Prime Minister, Mrs. Indira Gandhi, and inaugurated by the Union Home Minister, Mr. Zail Singh, the All India Sikh intelligentsia convention held in Delhi last Sunday looked more an affair of the Congress (I) than a Government sponsored show. It was not much different from the earlier "all world" and "all India" meetings of Sikhs in the style of deliberations.

The one difference was that it was called at short notice and restricted to the intelligentsia — about 200 to 300 persons.

The invitations were issued by Dr. Gopal Singh Dardi, Chairman of the high-power panel for minorities and scheduled castes who also delivered the keynote address. Dr. Dardi is a Congress (I) leader.

The initiative, however, obviously came from Mr. Zail Singh who also presided over the convention, not in his capacity as the Union Home Minister but as a Sikh.

**Observers' dismay**

Observers wondered what the provocation was for calling the convention at such a short notice without forming a preparatory body.

In fact there was no debate on any important controversial issue and the condemnation of the concepts of 'Khalistan' and 'Sikhs-are-a-nation' was of a distinctly restricted character. Most of the resolutions were not much different in their content and tone from those passed at the 'all-world' or 'all-India' conventions held in recent months.

The convention was originally intended to be a part of a Union Home Ministry scheme to counter the slogan of 'Khalistan'. This slogan had been raised by a section of extremists belonging to two organisations 'Dal Khalsa' and All-India Sikh Students Federation —

neither of which had been able to muster much following.

The two organisations, however, made their existence felt lately by launching an agitation for a ban on the sale of tobacco in the city of Amritsar which, they demanded, should be declared a 'holy city' for an effective enforcement of this ban. This 'tobacco war' evoked the sympathy and interest of a significant proportion of the Sikh population. The sponsors of this demand simultaneously displayed the 'Khalistan' banners.

These developments are stated to have stirred the Union Home Ministry into action. Earlier, it was believed, Mr. Zail Singh had turned a Nelson's eye to these agitations in his home State, as part of the game of factional animosity between the Union Home Minister and the State Chief Minister. No doubt the 'Khalistan' slogan had been causing headache to Mr. Darbara Singh.

**Watch on extremists**

According to press reports the Union Home Ministry is keeping a vigilant eye on the activities of some leading Sikh extremists in Punjab and elsewhere and also on movements of Sikh leaders touring regularly or for short periods in some foreign countries.

At the Delhi convention Mr. Zail Singh said that a small non-political committee would soon be set up to watch the secessionist tendencies which are raising their ugly head in the country and that the committee would tour the States with a view to educating public opinion on this vital issue concerning the integrity of the country. It was, however, not elaborated as to who will set up this committee and when it will start functioning.

The Home Minister strongly criticised the Akali Dal and SGPC which, he said, were supporting the 'Khalistan' slogan. This served to reveal the one-party character of the convention. However, neither of the two Akali Dals has explicitly said anything so far to signify support to the demand for 'Khalistan' though both have acclaimed the 'Sikhs-are-a-nation' concept.

In his keynote address Dr. Gopal Singh asserted that a separate Sikh State would mean the economic downfall of the community which is now enjoying enviable prosperity as part of the democratic polity of this country. But some of his observations endorsed the complaints that the Sikhs were suffering discrimination in various spheres.

**Intriguing**

An intriguing aspect is that instead of assuaging the feeling of discrimination most of the resolutions passed at the convention were akin to those adopted at Akali conventions and conferences where some extremist elements used to have an effective say. No wonder spokesmen of the two Akali Dals have expressed their satisfaction over some of the resolutions adopted at the convention which only endorsed the notable features of the policy and programme of Akali Dals and supported what they called, some of the just demands which they have been voicing from time to time.

Besides the main resolution declaring the Sikhs an integral and inalienable part of Indian polity the convention passed some other resolutions, including the one demanding expeditious transfer of the city of Chandigarh to Punjab without making it contingent on the transfer of Fazilka and Abohar.

to Haryana. Another protested against the displacement of Sikh farmers from the Terai region of Uttar Pradesh, which had been developed by them after prodigious efforts over decades since Independence, and the last one demanded declaration of Punjabi as the second language in Delhi, Haryana and Himachal Pradesh.

Invitations had been issued to a large number of Sikh leaders and intellectuals all over the country, including Sant Harchand Singh Longowal, and Mr J. S. Taiwandi, Presidents of the two Akali Dals, Mr. Prakash Singh Badal, former Chief Minister of Punjab and Mr. G. S. Tohra, President, SGPC. None of whom attended.

Among the messages received a significant one was from Mr.

Hukam Singh, former Speaker of the Lok Sabha and one-time President of the Akali Dal, which reads as follows: "I am definitely of the opinion that the slogan of Khalistan is dangerous and suicidal for the Sikhs but it cannot be taken in isolation. There are certain factors that are contributing to this frustration and they must be condemned along with it."

CSO: 4220/7277

FORMER ARMY COMMANDER VIEWS POLITICAL SITUATION

BK251201 Delhi INDIAN EXPRESS in English 18 Jul 81 p 6

[Letter to the editor by retired General K. M. Cariappa, former commander in chief of the Indian Army 1949-1953]

[Text] Sir: It is most distressing to read daily in our newspapers the sad news of burglaries, thefts, murders, dacoities, students everywhere burning houses, cars, shops and furniture of their own universities and colleges. Raping continues, so does police firing all over the country against unruly masses and murdering of important officials of state and civilians. In my humble memory I have never known earlier such things happening in our beloved India. I am nearing 83 years of age. There seems to be, according to press reports, almost complete mass indiscipline everywhere with little or no respect for law and order.

The unfortunate and underprivileged millions of our country face very distressing economic problems--cost of foodstuffs soaring, no roofs to sleep under, education of the children not being properly provided for by the state, insecurity of all kinds etc.

We have today in our country two sets of people who cause all this unhappiness. They are:

1. Some wrong type of politicians--there are many of them who take large sums of money as bribes from industrialists seeking such favours as contracts, etc. They use such money to cause workers to go on strike--kill, destroy public property and so on. We do have some very great politicians, very able administrators.

2. Those with distressing greed for money. People are not all honest in their business dealings. The main aim of some of them is to amass wealth by foul means.

We do not work enough. One has to work for at least 8 hours a day. People spend most of the time in tea breaks, meal breaks and rest. We have not got enough really able leaders in our country. We have far too many holidays excluding Sundays and Saturdays.



I feel the government of today has a very, very big job to handle with all these happenings in our country. Unfortunately, we have not got enough really able administrators.

The whole picture of the country today is very saddening--language problems, communal problems and the continuing sufferings of the most unfortunate harijans--all need immediate attention.

I am not in politics. I am just a simple retired officer of our army. I have always had and will continue to have my deep interest in the welfare of three people I got "wedded" to just before I retired from the army over 28 years ago and these are: A. ex-servicemen and their dependants of our defence services; B. the youth of our country, and C. the people of our country.

In the present circumstances, I strongly feel that the only way to put things on an even keel is to have president's rule, not national government under the president, for at least 5 years with political parties banned. The country's administration could be carried on as before with the governors and heads of various departments such as food, agricultural, medical, education, police and so on. A team of specially selected persons of known ability, honesty and a team of old retired officers--one general, one air chief and one admiral--all to form an advisory council. All political parties should be banned immediately. One or two states whose people are causing local unrest should be handed over to the defence services under martial law, for a year or two at least, until things return to normal in those states, after which these states will return to the president.

Later when the president finds the situation in the country is normal, people are well disciplined with respect for law and order, people work hard to produce the needs of the country in all respects and the internal and external security of our land is assured, he will announce publicly that there will be only three political parties, equivalent of labour, liberal and conservative. There will be no other political parties at all. When elections are being held, if anyone is caught bribing for votes he should be disqualified. After the elections the party that wins will become the government of the country, the second party will be the "opposition" and the third party will be "neutral." The president will then hand over the country to the newly elected government.

Democracy in our country must prevail forever and the people must continue to have the privilege of choosing their government.

In all that I have said above I assure you I have not the slightest personal interest of any kind except my continuing love for our simple millions who deserve a good democratic government.

[Signed] Gen. K. M. Cariappa (retd.)

Bangalore

CSO: 4220/372



## KERALA APPOINTMENT BRINGS DELHI-STATE CONFRONTATION

Calcutta THE STATESMAN in English 11 Jul 81 p 9

[Text] Trivandrum, July 10.--The appointment of Mr A. V. Varghese as Vice-Chancellor of Kerala University in succession to Mr V. K. Sukumaran Nair, who lays down office on July 15, by the Governor, Mrs Jyothi Venkatachellum, has led to yet another confrontation between the CPI(M)-led Left Democratic Front Government and the Centre.

Although the Governor, in her capacity as Chancellor of the university, is entirely within her rights to choose a candidate from a panel of names put before her, by convention, the State Government is taken into confidence before the announcement is made. Her alleged departure from this practice has been viewed by the ruling front as interference into the State's affairs by the Centre.

The issue was discussed by the Kerala Cabinet on Wednesday when Marxist members expressed concern over the Governor's alleged failure to consult the State Government on such an important appointment.

Mr S. V. Achutanandan, State secretary of the CPI(M), saw behind Mr Varghese's appointment the Centre's "hidden hand" to bypass the Governments of non-Congress (I) ruled States. The Governor's action was described as "an assault on the rights of the State Government."

Mr Varghese, who is now professor of English at Bentley College, Waltham, Massachusetts, had been associated with the Congress party in Kerala before his departure for the USA. In the Kerala Assembly, a Marxist member, Mr M. V. Raghavan, even questioned the nationality of Mr Varghese who continues to retain Indian citizenship even after two decades of residence in the USA.

Mr Achutanandan said in a statement that when the selection committee submitted a panel of names to the Chancellor, the opinion of the State Government was sought before making the final choice. By hastily appointing one from the panel without consulting the Government, the Governor had violated the precedence she herself had followed so far, he said.

Under the Kerala University Act, the Chancellor should nominate a person to the three-member committee to submit a panel of names for the post of Vice-Chancellor. The panel had recommended besides Mr Varghese, Mr Vasu and Mr Kaleeswaran, an IAS officer who is the Vice-Chancellor of the Kerala Agriculture University.

The CPI(M) wanted Mr Vasu to succeed Mr Sukumaran Nair. There is an accepted convention in Kerala that the post of Vice-Chancellor should go by rotation to the major communities. Mr Sukumaran Nair's predecessor was Mr George Jacob, a Christian, of the same community as Mr Varghese. Mr Vasu belongs to the numerically strong backward community of Ezhavas, from whom the Marxist party draws its strength.

Fifty-one-year-old Mr Varghese, who graduated from Travancore University, took his M.A. degree in English from Madras Christian College, and Ph.D. from Denver University, Colorado. He did post-doctoral research at Harvard University before joining Bentley College. He is due to take over as Vice-Chancellor on July 16.

CSO: 4220/7269

# CPI-M INNER PARTY DEBATE REPORTED AT DEAD END

Bombay THE TIMES OF INDIA in English 12 Jul 81 p 7

[Text] Calcutta, July 11.

The CPMS inner-party debate on an immediate tactical issue seems to have reached a dead-end, without a solution in sight, and this prompted the central committee to postpone it to another occasion in the future, allowing time for cooling off of sentiments as well as refreshing the members' thinking.

Many in the party seem to believe that ultimately the issue will have to be clinched at the next party congress, scheduled for February next year. But there are serious doubts about keeping to this schedule because if the West Bengal unit has to fight the next general elections in June-July or earlier in February next year, this timing will be most unsuitable.

The unresolved tactical issue, as is well-known, relates to whether the party's emphasis should be on left unity, as practised i-West Bengal, or left and democratic unity, as underlined by the party's Howrah plenum, relating it to the need for expansion in the Hindi belt. In other words, this concerns the party's attitude towards other opposition organisations like the Congress (U), the Janata, BJP and the Lok Dal.

## The Two Views

Exponents of the left and democratic unity idea maintain that only this can facilitate the party's growth in the Hindi belt, and, therefore, the West Bengal unit's emphasis on left unity is anomalous, a wrong implementation of a vital party decision and creates difficulties for the party in other parts of the country.

As the last central committee discussions are said to have brought out, the West Bengal unit is no longer isolated in its view in this regard. It has been getting support from some members from other states. To its critics, its reply broadly is: "Where is your Congress (U) about which you have been creating such a din?"

But what might be irritating the critics more is the West Bengal leadership's attitude, reflected in the argument that the necessity of drawing in democratic elements arises or is felt only where the party is weak.

This, again, has brought to the fore another related controversy over whether the party should seek to exploit its association with allies to strengthen and expand itself or to try and develop laboriously a grassroots organisation and then seek expansion.

Party sources say neither controversy could be resolved at the last five-day central committee session in Calcutta. Attitudes on both remained as sharply divided as ever, which even had led to the exchange of harsh expressions. Hence the need for a cooling off period, and a time for a fresh reappraisal.

As for the West Bengal unit, it was pointed out on its behalf that in course of time, it had been possible for the left front to draw closer the CPI, socialists and the Lok Dal elements.

It was not averse to being conciliatory towards the Congress (U), despite its leadership's role in the 1970-71 attacks on the CPM, but there had been no opportunity so far to get closer on the basis of any common programme or issue.

West Bengal leaders think that by the time the central committee meets next, the position and character of the Congress (U) will get clearer and add more substance to their line of argument.

But one important pointer of the committee's last session was that the party leadership has already initiated a process of re-thinking on the BJP's role and composition and will not rule out common or simultaneous action on specific issues inside and outside the legislature.

CSO: 4220/7273

WEST BENGAL CPI EXPULSION OF MEMBERS APPROVED

Calcutta THE SUNDAY STATESMAN in English 12 Jul 81 p 3

[Text]

**T**HE West Bengal State Council of the CPI at its meeting in Calcutta on Saturday accepted the recommendation of the party's State executive committee for the expulsion of 15 members, including four members of the State Council, for anti-party activities. These members had organized the West Bengal State Communist Convention in Calcutta on June 20.

A spokesman of the CPI told reporters that so far 10 members of the State Council had been expelled, including the four against whom steps were taken on Saturday. These members were given an opportunity to explain their conduct before the State Council, but they did not do so.

He said that the party's district councils had been instructed to take a lenient view of those misguided members who reformed themselves. They had, however, been asked to take stern disciplinary measures against those members who continued to participate in disruptive activities.

The State Council in another resolution urged the President, Mr Sanjiva Reddy, to cancel his proposed visit to the U.K. on the occasion of the wedding of Prince Charles in protest against the race riot now raging in that country. The Council condemned the Thatcher Government's immigration policy.

CSO: 4220/7276

INDIA

CPI-M POLITBURO MEMBER COMMENTS ON GANDHI REMARKS

New Delhi PATRIOT in English 12 Jul 81 p 5

[Text] CPI-M Politburo member P Ramamurti noted on Saturday that the Prime Minister had correctly highlighted the danger to the subcontinent from Pakistan's acquisition of F-16 aircrafts, but 'failed to pinpoint and castigate the real villain--the US imperialism'.

In a statement, Mr Ramamurti said 'verbal protests, however strongly worded, lodged with the US Government is futile'. Instead he underscored the need to rouse the people of India against the US imperialism's menacing challenge to the country's independence, unity and integrity.

But it was his strong belief that this, neither the Prime Minister nor her party is able to do because of her policies of increasing dependence on western aid, chiefly from America, the World Bank, the IMF and other international financial institutions largely financed by the US.'

Mr Ramamurti said Mrs Gandhi's efforts to explain away the Indo-Pak Joint Statement that every country has the right to acquire arms for its defence 'has no meaning whatsoever'. Since, Mr P. V. Narasimha Rao during his visit to Pakistan knew that Islamabad was trying to negotiate the F-16 deal with Washington, he felt 'it was absolutely necessary for our External Affairs Minister to explicitly state, without any ambiguity, that we are firmly and totally opposed to the induction of this offensive weapon into Pakistan.'

CSO: 4220/7277a

INDIA

# DISSIDENCE IN PUNJAB CONGRESS-I REPORTEDLY CONFIRMED

New Delhi PATRIOT in English 12 Jul 81 p 4

[Text] Chandigarh, July 11 (PTI).

Congress-I general secretary Kalpnath Rai said here yesterday that he would submit his report relating to 'important matters' of the party and the Government in Punjab to Prime Minister Indira Gandhi later today.

Several Punjab Cong-I legislators, who have been described as 'dissidents' including some Minister and many party workers met Mr Rai and are understood to have expressed their 'dissatisfaction' with what they called 'slow functioning of the Government and the party' in the State.

Mr Rai at a press conference later refused to disclose what was discussed but said that he would convey their feelings to party president Mrs Indira Gandhi.

Mr Rai appealed to Mr Dev Raj Urs to dissolve the Cong-U as it had become 'irrelevant following the acceptance of Cong-I party and its leader, Mrs Indira Gandhi by the people.'

Addressing the press conference Mr Rai said that he was making this appeal on the eve of the working committee meeting of the Cong-U in Bangalore on Sunday to decide party's future course of action.

Mr Rai said that Mr Urs should dissolve his party 'in the interest of the country' and moreover, the people could not be confused any more.

'Mr Urs himself and the entire rank and file of the Cong-U in their heart of hearts want to join Cong-I but there is slight hesitation on the part of some leaders mainly because of the question of adjustment, he said.

Asked whether Cong-U leaders, including Mr Urs and the workers would be admitted to the Cong-I in case the party (Cong-U) was dissolved, Mr Rai said each case would be decided on merit.

CSO: 4220/7277a



**PRADESH CONGRESS-I COMMITTEES TO BE REORGANIZED**

New Delhi PATRIOT in English 12 Jul 81 p 5

[Text] Pradesh Congress-I Committees in the Cong-I-ruled States will be re-organised by September or latest by October next, according to AICC-I general secretary Vasantdata Patil.

New PCC-I president will be elected or nominated where the post is held by the Chief Minister, he told newsmen on Saturday.

At present, the Chief Ministers of Punjab and Gujarat are holding dual posts.

The re-organisation of the party's State units is intended to strengthen them and ensure better coordination and harmony between the organisational and Governmental wings. The party High Command is also worried over the factionalism within the party which continues unabated in many States.

Mr Patil, who visited Gujarat, said in reply to a question that except for 'differences of views' among a few individuals in the State, the Cong-I was a well-knit organisation there.

The AICC-I general secretary told newsmen that the question of Mr Y B Chavan's admission to the Cong-I was expected to be discussed at the party's working committee meeting in the last week of this month or during the first week of August.

But the issue of admission of people including former Lok Sabha Speaker Bali Ram Bhagat, Haryana's former Chief Minister Banarsi Das Gupta, Mr K C Pant and Mr S C Shukla will be decided only after consulting the PCC-Is of their respective States.

CSO: 4220/7277a

RAJIV GANDHI MEETING WITH SHEIKH ABDULLAH REPORTED

New Delhi PATRIOT in English 12 Jul 81 p 4

[Text] Srinagar, July 11 (PTI)--Mr Rajiv Gandhi, MP who is here in connection with the two-day meeting of the national executive of the Youth Cong-I, had a meeting this morning with Chief Minister Sheikh Mohammad Abdullah. The meeting lasted an hour.

The meeting took place at the residence of the Chief Minister, shortly before the national executive began its meeting.

It was not immediately known what transpired at the meeting, but a source close to the Chief Minister said the two are believed to have discussed the present state of relations between the Cong-I and the ruling National Conference.

Later addressing a party rally, Mr Rajiv Gandhi announced a new organisational programme for the Cong-I in Jammu and Kashmir with village as the base.

He urged the PCC-I to fix the target of building a network of organisational units, with a minimum of five workers in each village.

The PCC-I, he told the rally, should prepare for the "coming elections" to ensure a massive victory.

The Cong-I workers in the State should take to constructive work and agitate for the peoples grievances without fear, but avoid politics of mud-slinging and leg-pulling, he said.

Mr Gandhi said the Cong-I was for a constructive approach. At the same time it was also fighting for the people's cause.

Our battle will not be fought on the streets, but at the polling booths, he added.

CSO: 4220/7277a

## STUDY ON BYELECTION STATISTICS SUMMARIZED

Madras THE HINDU in English 12 Jul 81 p 2

[Text] New Delhi

Some interesting trends are revealed by the comparative study, just made available, of the data of the recent by-elections and the behaviour of these constituencies--six of the Lok Sabha, 23 of State Assemblies--on earlier occasions. Particularly striking is the point that while the total number of voters, as was natural, went up practically in each case, those who turned up at polling booths were fewer, in most cases. This trend is uniform in the case of Lok Sabha seats but mixed in Assembly constituencies except in West Bengal.

The number of votes cast in the four Lok Sabha constituencies in U.P., as also one each in West Bengal and Orissa is less now than in 1980. As regards the Assemblies, there is an even division in two States--in U.P. four constituencies registered an increase in the valid votes polled, four showed a drop and in Bihar, the number was higher in three constituencies and lower in the other three. West Bengal had the distinction of registering an increase in seven out of eight Assembly constituencies. The lone seat in Karnataka, however, attracted fewer voters this time.

Surprisingly, the entry of star candidates in the contest for the Lok Sabha, of Mr. Rajiv Gandhi in Amethi and Begum Abida Ahmed in Bareilly, failed to enthuse voters, as a whole, though the winners romped home with much bigger margins.

In Amethi, for instance, the total electorate increased to 6,79,469 from 6,75,683 last year but those who appeared at the booths totalled 3,07,523 against 3,27,413 last time. That Mr. Rajiv Gandhi polled more votes than his brother, Sanjay Gandhi last time--2,58,884 compared to 1,86,990--is another question.

It was the same story in Bareilly. The electorate increased from 6,14,536 to 6,31,825 but the number of valid votes dropped from 2,68,950 to 2,47,613. Here again, the fact that the Congress (I) wrested the seat from the Janata (S), the party of the former Prime Minister, Mr. Charan Singh, and Begum Ahmed, the present winner polled 1,14,231 votes against 75,448 of the successful contestant last year, Mr. Misar Yar Khan, are different matters.

Here is the comparative data, constituency-wise:

Constituency	Contestants		Electorate		Votes Polled	
	1981	Previous	1981	Previous	1981	Previous
<b>Lok Sabha</b>						
Amethi	14	12	6,79,469	6,75,683	3,07,523	3,27,413
Bareilly	9	20	6,31,825	6,14,536	2,47,613	2,68,950
Mirzapur	13	13	7,32,498	7,23,350	2,03,448	3,63,841
Allahabad	16	20	7,21,822	7,11,146	1,83,023	3,34,526
Cuttack	6	4	7,22,704	7,04,852	2,80,472	3,57,238
Serampore	4	6	7,80,608	7,74,081	4,38,769	4,88,854
<b>Assembly</b>						
<b>Bihar</b>						
Dhanaha	5	8	94,768	94,219	43,149	40,617
Bhaktiarpur	12	3	1,33,833	1,33,873	88,209	1,13,994
Giridih	9	9	1,02,989	89,745	52,051	37,659
Parsa	9	9	1,28,132	1,28,132	51,989	80,582
Sandesh	20	11	1,33,841	1,15,406	58,876	58,122
Hisua	14	8	1,27,543	1,10,580	56,024	59,369
<b>Uttar Pradesh</b>						
Bilaspur	9	11	1,58,750	1,58,373	65,219	82,059
Bisauli	9	9	1,28,807	1,28,836	53,374	69,292
Shanjahanpur	10	19	1,36,037	1,35,851	58,993	59,968
Tindwan	7	15	1,30,409	1,29,818	69,768	55,019
Lakshmipur	18	10	1,38,986	1,16,391	74,629	62,419
Jahanabad	12	7	1,28,342	1,16,397	65,249	66,679
Patiali	11	4	1,29,078	1,19,509	73,895	57,686
Sikandra Rao	20	5	1,41,709	1,33,369	68,705	52,225
<b>Karnataka</b>						
Dharwar Rural	5	4	77,827	72,498	44,479	47,633
<b>West Bengal</b>						
Darjeeling	2	10	1,07,323	91,260	42,807	39,705
Kumarganj	3	4	1,15,309	87,224	81,911	59,834
Kharba	3	6	96,520	81,841	77,324	55,058
Suzapur	4	3	91,159	82,839	63,986	57,920
Jadavpur	4	3	1,23,914	1,00,947	67,979	55,139
Dum Dum	4	4	1,35,899	1,21,527	76,487	65,299
Maniktoia	4	7	1,15,615	1,06,411	54,909	55,070
Midnapore	5	5	1,10,525	95,944	68,665	52,230

#### General Apathy

Opinions differ on what it all means. Some feel it is due to the general apathy of voters to political processes, which failed to attract them, in their present sullenness over economic condition particularly rising prices and shortages of essential items.

Having seen their hopes dashed because of the broken promises of the rulers, they, so goes this argument, were not keen to associate themselves with elections in a "plague be on both their houses" mood. Others describe it as the normal phenomenon

in by-elections. Because of the limited interest of scattered contests, as against the all-pervading zest during general elections, parties and candidates find it hard to mobilise their support to the full extent.

#### Exception

The higher turn-out of voters for the Assembly contests in West Bengal--an exception to the general trend--is ascribed to the peculiar situation of the State, particularly the different impact of the Left Front Government. The presence of the Congress (I) in the Opposition camp added a dimension to the campaign which was not there elsewhere.

The margins of the winners in the Lok Sabha contests were bigger now in U.P. but narrower in West Bengal and Orissa. This, say political observers, reflects the state of the Opposition. In U.P. areas, the Opposition is far more fragmented than in the other two cases. Whether this generalisation could be stretched to cover entire States is the subject of hesitant comments. In two Assembly constituencies, one of U.P. and another of Bihar, there is a slight decline in the electorate. This is a freak development and no proper explanation is available. It was, perhaps, because there were far too many errors in the old voters' list and the revision led to pruning.

Or, perhaps, migrant labour was a sizable segment of the electorate which was reduced when workers moved to other areas.

CSO: 4220/7277

## BANKING ORDINANCES ISSUED, BANK RATE RAISED

Calcutta THE SUNDAY STATESMAN in English 12 Jul 81 pp 1, 7

[Text] New Delhi, July 11.--In a fresh bid to curb inflation and stabilize the economy, the President today promulgated two Ordinances, raising the rate of compulsory deposits for the affluent and making bank repayment of deposits through payee accounts obligatory, report PTI and UNI. In a matching move, the Reserve Bank of India today raised the bank rate by one per cent. Today's Ordinances follow last night's announcement of an increase in the prices of petroleum products, and official sources said that more such measures were in the offing.

Today's Ordinances were approved by the Union Cabinet here yesterday. The Finance Minister, Mr R. Venkataraman, flew to Hyderabad, where President Sanjiva Reddy signed the Ordinances.

The Compulsory Deposit scheme (Income-Tax Payers) Amendment Ordinance, while increasing the rates, does not make any change in the existing rates in respect of current incomes up to Rs 50,000.

For incomes in the range of Rs 50,000 to Rs 70,000, the rate of compulsory deposit is up from 12.5% to 15%; and for incomes exceeding Rs 70,000, the rate has been raised to 18% from the existing 15%. The Government believes that this measure will help "restrain conspicuous consumption", the announcement said.

Under the second Ordinance--Income-Tax Amendment Ordinance--banks, companies, cooperative societies and partnership firms will be required to repay deposits made with them by any person through account-payee cheques or account-payee bank drafts, where the deposit with interest is Rs 10,000 or more.

"However, banks, including cooperative banks, will be permitted to repay any deposit made with them by a person who has an account with the bank by crediting to the account of such person", the announcement added. Failure to comply with this requirement will involve imprisonment for a term up to two years and a fine equal to the deposit.

Under the Income-Tax (Amendment) Ordinance, which covers deposits with banks, companies, cooperative societies and partnership firms, the depositor can no longer be "benami", as the Income-Tax authorities will now know to whom the deposit has been repaid. There is no exact information on how much black money is held in benami deposits.



The ordinance does not apply to savings bank or current account deposits, it was officially clarified.

The Finance Ministry announcement said the Ordinances would apply in relation to the assessment years 1982-83 and 1983-84.

The bank rate stands raised from nine per cent to 10%. The new rate comes into effect from the close of business today (July 11), the Reserve Bank of India said in a Press release.

The bank also announced that the second phase of the increase in the case reserve ratio of scheduled commercial banks, originally to be effective from September 11, was now being advanced to August 21.

The statutory liquidity ratio is to be raised from 34% to 35% of total demand, and time liabilities in two phases--34.5%, effective from September 25, 1981, and 35%, effective from October 30, 1981.

The minimum margin against stocks of wheat, paddy/rice, and other foodgrain will be raised with immediate effect by 10 per centage points across the board, with the exception of advance paid to roller flour mills against wheat.

The package of monetary measures announced by the RBI today will reduce the capacity of bank loans to industry and trade by about Rs 880 crores at the beginning of the busy season in November, according to banking circles in Bombay.

The bank rate rise will also hit the borrowers, as the lending rate structure of the commercial banks is linked with the bank rate, barring certain categories of priority sectors. This will augment the earnings of the banks by about Rs 350 crores on an annual basis.

The monetary measures will hit industry and trade by making credit costlier and also reducing its availability, trade circles feel.

#### Good Response

The Bombay Share Market reacted favourably to today's Ordinance on the package of anti-inflationary steps, as well as to the one per cent hike announced by the RBI.

Though the market remained officially closed during the entire week for completion of outstanding settlement work, share prices had been declining in kerb dealings on the belief that the impending anti-inflationary measures would include dividend curbs.

But the absence of any dividend freeze and other harsh measures in today's announcement generated confidence among share-brokers, though the increase in the bank rate had a restraining influence, brokers said.

The president of the Indian Merchants' Chamber, Mrs Sharayu Daftary, said that the RBI's package of monetary measures, including the rise in bank rate, would affect trade and industry by making credit costlier and restricted.

CSO: 4220/7276



CENSUS FIGURES ON URBAN, RURAL POPULATION RELEASED

Bombay THE TIMES OF INDIA in English 12 Jul 81 p 6

[Text] New Delhi, July 11 (PTI): India continues to be predominantly rural although its urban population increased by more than 49 million during the 1971-81 decade.

The rural-urban distribution of the population obtained from the quick tabulation of provisional totals of the 1981 census shows that 76.27 per cent of the population is rural.

The census commissioner today released figures putting the urban population at 156,188,507. The balance of the total population of 658,140,676 is considered rural.

These figures exclude Assam, where the census has not so far been held, and Jammu and Kashmir, where the census was taken two months after the February-March enumeration in the rest of the nation.

The urban population had grown from 17.62 per cent in 1951, when the first post-independence census was taken, to 18.26 per cent in 1961, 20.22 per cent in 1971 and to 23.73 per cent in 1981.

The urban population was a mere 10.40 per cent in 1911.

Dadra and Nagar Haveli as well as Lakshadweep entered the stream of urbanisation for the first time during the 1971-81 decade.

Maharashtra is the most urbanised state with 35.05 per cent of its population in the urban areas.

Tamil Nadu, Gujarat, Karnataka, Punjab and West Bengal follow in descending order. These states have a higher urban population than the national average of 23.73 per cent.

At the other end, Himachal Pradesh, Dadra and Nagar Haveli and Arunachal Pradesh have more than 90 per cent of their population in rural areas.

Kerala, Meghalaya, Uttar Pradesh, Sikkim, Nagaland, Bihar, Orissa and Tripura have more than 80 per cent rural population.

Nagpur, Lucknow and Jaipur crossed the one million mark at the 1981 census. They join the group of Calcutta, Greater Bombay, Delhi, Madras, Hyderabad, Ahmedabad, Bangalore, Karipur and Pune as big cities or urban agglomerations.

Together the 12 cities and urban agglomerations account for 44.56 per cent of the urban population.

CSO: 4220/7275

## GULF LOSSES PROJECTED FOR INDIA

London 8 DAYS in English 1 Aug 81 pp 36-37

[Article by Sundar Rajan]

[Text]

INDIAN PUBLIC sector construction companies working on projects in several Middle East countries are doing badly because of delays and inefficiency. Engineering Projects India (EPI), which holds responsibility for these projects, has reportedly suffered 'staggering losses'.

According to the *Economic Times*, India's most prestigious financial newspaper, EPI is heading for a total loss of Rupees 600m (\$53m) on 11 projects — six in Iraq, three in Kuwait and one each in Abu Dhabi and Jeddah.

'Not a single project — not even the first prestigious Ain Baghaze housing project in Kuwait won in September 1976 — has so far been completed,' the newspaper said. 'The over-run is two to three years. While the loss in construction itself is about IR280m (\$25m), the penalties EPI has to pay to the authorities in Kuwait, Iraq, Abu Dhabi and Jeddah for non-performance of contractual obligations on time is estimated to amount to IR320m (\$28m). Having failed to put its house in order, EPI today finds itself in the unenviable position of its competitors, mostly giant corporations from Japan and elsewhere based in Jordan, taking advantage of the situation and pricing EPI out.'

It appears that EPI's predicament is not new. Two years ago, the EPI board appointed a committee to investigate the operation of a number of projects in the Middle East. Following on-site studies, the committee presented a report which was extremely critical of the public sector. The Janata Party government of the then prime

minister, Morarji Desai, hesitated to publish the report. While some ministers felt that the findings could be used to discredit Indira Gandhi (prime minister when EPI negotiated its major Middle East contracts), Desai reportedly decided that the publicity would only harm India's image abroad. According to press reports, the committee itself advised that the report be suppressed.

While EPI is reluctant to comment on the press reports, the *Economic Times* claims that one of the committee's most startling findings was that 'an investigation into past purchases would reveal a story of corruption and pilferage of large proportions.' The paper's special correspondent also alleges that a brief report, attached as an appendix, informed the government that the money siphoned off from the construction work purchases had found its way into Swiss bank vaults. 'This report,' the correspondent adds, 'was however withdrawn at the instance of the then powers.'

The Gandhi government is apparently planning to make major changes in EPI's operations. It will also negotiate with the Middle East governments concerned to waive or reduce the time-clause penalties. New Delhi considers some of the conditions imposed on EPI too strict. The company will also seek greater control over the labour force, particularly Indian nationals working on the Middle East projects.

Observers feel that EPI's troubles are only a reflection of the domestic problems experienced by the Indian public sector, with excessive bureaucracy as the main reason for poor performance.

## DETAILS OF POWER PLANT PLANS, FINANCING TOLD

Calcutta THE STATESMAN in English 11 Jul 81 p 11

[Text] New Delhi, July 10.--The International Development Association, the World Bank's soft loan affiliate, has approved a credit of \$400 million for the second stage of the Korba thermal power station in Madhya Pradesh. The first stage, financed by an IDA credit of \$200 million approved in April 1978, is presently under construction.

West Germany is co-financing the project to the tune of \$150 million.

The project involves construction of three 500 MW turbogenerators, three 1,725 ton-an-hour boilers, auxiliary equipment and related works, and about 1,100 km of 400 kV transmission lines. These additions will bring the power plant to its final installed capacity of 2,100 MW by December, 1988. The first 500 MW unit is expected to be commissioned by December 1, 1986, with the remaining two following at one-year intervals.

The construction will be carried out by the National Thermal Power Corporation over an eight-year period (1982-89) as part of its current power development plan. The bulk of the power generated by the plant will be conveyed to State Electricity Boards in Gujarat, Maharashtra and Madhya Pradesh and to the electricity department of Goa.

The plant will use coal supplied by the nearby Kusmunda II and Gevra mines. The plant's coal requirements are expected to be 7.8 million tons annually. Equipment for coal handling and transportation has been included under the project.

The demand for power in India has consistently been greater than the available capacity. The country is pursuing an ambitious investment programme for the power sector aimed at reducing the gap between power supply and demand. The addition of the project's 1,500 MW by 1988, representing about 13% of the peak demand in the region will help avoid power shortages in the western region towards the end of the decade.

CSO: 4220/7269

## NEGATIVE REACTIONS TO OIL PRICE HIKE REPORTED

Bombay THE TIMES OF INDIA in English 12 Jul 81 p 9

[Text] Calcutta, July 11.

Voicing the West Bengal government's "strongest protest" against a fresh revision of petroleum products prices, the finance minister, Dr. Ashok Mitra, today spoke of organising a nation-wide campaign against the Centre's "anti-people" policies which, in his view, sought to favour a small section but threatened the future of the nation. This would be done within the existing constitutional and legal framework.

Reacting to the Centre's decision in this regard a senior vice-president of the Bharat Chamber of Commerce Mr. C. I. Gandhi, said the decision would have "obvious cascading effects on costs and prices adversely affecting quite a wide range of essential commodities and provide further fillip to the upswing in prices."

Dr. Mitra, on his part, roughly estimated that the Centre's decision would push up prices of petrol, diesel oil, kerosene, gas and fertilisers by ten to 12 per cent and with an overall price increase of three to four per cent. It would widen the states' budgetary deficits, because states like West Bengal would not like to raise the sales tax rates in keeping with the Centre's decision, but at the same time its earnings from small savings would tend to fall. This would be entirely the Centre's responsibility.

He repeated that the state government had been trying to impress at various national forums that prices could not be lowered by raising them. But the Centre, while talking about bringing down prices, was actually pushing them up by its policies. This would raise the cost of living, resulting in pressures for wage compensation which the states, and not the Centre, would have to face. As a result, he felt that the "entire system is getting unmanageable."

Our special correspondent adds from Bhopal: The sudden increase in the price of petroleum products has provoked sharp reaction from almost all opposition parties.

Janata Party leaders, in a joint statement, said that in the past two months the prices of crude and petroleum products had been falling in countries while OPEC countries had decided against any price hike for their exports.

New Delhi (UNI): The upward revision of prices of petroleum products have come under severe criticism from various quarters.

The All-India Trade Union Congress general secretary, Mr. Indrajit Gupta, MP, said the hike would inevitably boost inflation and prices in a chain effect.

Mr. P. Ramamurti, Centre of Indian Trade Unions general secretary, feared that the hike would lead to increase in price of essential commodities also.

CSO: 4220/7273

## DELHI REPORTEDLY PLANS TO TRIPLE CRUDE OIL PRICES

Bombay THE TIMES OF INDIA in English 12 Jul 81 p 1

[Text] New Delhi, July 11:

The Centre is understood to have decided to raise by about 300 per cent the prices of domestic crude oil to make available larger funds at the disposal of the Oil and Natural Gas Commission and Oil India--the two premier agencies engaged in the production and exploration of oil.

The financing of higher prices of the domestic crude is expected to be done from the additional revenue that would be generated as a result of a sharp increase in the prices of petroleum products announced yesterday by the government.

The higher prices of petroleum products would fetch to the exchequer over Rs. 1,050 crores in a full year, it is reliably learnt. During the remaining period of the current financial year, the government expects to mop up about Rs 825 crores.

Inquiries from official circles show that the price of indigenous crude is now being uniformly fixed at Rs 1,180 per tonne against the existing average price of about Rs. 400 per tonne.

While fixing the revised uniform price of Rs. 1,180 for both on-shore and off-shore crude, the government has decided to do away with the dual pricing system. At present, on-shore crude is priced at Rs. 324 per tonne and off-shore crude at Rs. 458.

Sources here point out that keeping in view the resources constraint, the government had to resort to jacking up the petroleum products' prices. This will help mop additional resources for financing a significantly higher tempo of exploration activity both on-shore and off-shore. For the step up of crude oil exploration and production programmes, the government had also sought huge financial assistance from the World Bank. Moreover, the ONGC had borrowed money from the international market.

The government has already decided to step up production of indigenous oil because of the mounting burden of oil and petroleum products imports. In the plan document, crude oil production from the offshore areas of Bombay High is



estimated at 51.3 million tonnes during the sixth plan period. The revised estimates of production subsequently compiled by the petroleum ministry have placed the total oil output at 60 million tonnes--nine million tonnes of additional oil resulting in a colossal saving of foreign exchange.

Oil exploration and production programme has assumed added significance in view of huge trade deficit. Higher domestic production of oil can provide some relief to the adverse balance of payment position.

As a result of the various measures already taken by the petroleum ministry to raise domestic production of oil, it would be possible to curtail the import bill for crude and petroleum products next year by about Rs. 1,000 crores, cutting the imports from 16 million tonnes of oil and 6.5 million tonnes of products this year to 14 million tonnes of oil and about three million tonnes of products next year.

CSO: 4220/7273

# INCREASE IN PETROLEUM, TRANSPORT PRICES ANNOUNCED

Calcutta THE STATESMAN in English 11 Jul 81 p 1

[Text] New Delhi, July 10.--All petroleum products will cost more from tomorrow (July 11). Besides an increase in the price of petrol, kerosene, diesel and domestic gas, this will mean an increase in the costs of road and air transport. The Government announced late tonight an increase of 53 paise a litre in the price of petrol, 32 paise a litre for high speed diesel and 15 paise for kerosene.

The maximum increase of about Rs 5 is in the case of domestic gas. A 15-kg cylinder in New Delhi will cost Rs 50.55, against Rs 45.54 at present.

Similarly, subject to variations on account of local taxes, petrol in the Capital should cost Rs. 6.07 a litre from tomorrow, against Rs 5.50. Kerosene has gone up from Rs 1.64 a litre to Rs. 1.77 a litre, and diesel Rs 2.67 to Rs 3.02 a litre.

The price of furnace oil has been raised from Rs 2,502.55 a kilolitre to Rs 2,737.55 a kilolitre.

The price of other petroleum products, which have also consequently gone up are being notified separately. The actual price increase will vary from place to place, depending on sales tax, freight charges, etc.

The State Governments and Union Territories have been advised to revise the fare structure of taxis and auto-rickshaws.

The prices of petroleum products were last increased on January 12, when kerosene was made dearer by 11 paise, a gas cylinder cost Rs 5.25 more and petrol, high speed diesel and light diesel 37 paise more per litre.

It is too early to calculate what the latest price hike will fetch the Government, but the last rise yielded the Government about Rs 1,200 crores.

A Government Press Note said that the latest price revision was due to "the steeply rising costs of the greatly expanded oil exploration and development programme, the continuing strain on balance of payments and the need to moderate the growth of demand for petroleum products and to promote their economic and efficient use".

PTI adds: India plans to boost its indigenous production to meet the growing demand and cut down progressively the import of crude oil and petroleum products.

The total imports this year are 15 million tons of crude oil and 6.5 million tons of petroleum products. As the Finance Minister, Mr R. Venkataraman, said recently oil imports alone account for 72% of the total export earnings.

/The price of urea has been increased by Rs 3,50 a ton, with immediate effect./  
[in boldface]

A Staff Reporter adds: Describing the increase in the prices of petrol and high speed diesel as a "heavy blow" to transport operators, Mr Kalyan Bhadra, secretary of the Joint Action Committee of the Taxi Operators and president of the Bengal Bus Syndicate, said that a further revision in the fares of both taxis and buses would be unavoidable. Without a revision, it would be impossible to ply taxis and buses in Calcutta and other parts of the State.

Mr Bhadra, who is also the president of the West Bengal Petroleum Dealers Association, felt that the increase was, "without justification", as the tax on petrol in the country was already the highest in the world. He said that he would consult the respective associations of transport operators, before approaching the Government regarding a further increase in the fare structure.

CSO: 4220/7269

## SIXTH PLAN EARMARKS FUNDS FOR FAMILY BIOGAS PLANTS

Bombay THE TIMES OF INDIA in English 11 Jul 81 p 7

[Text] New Delhi, July 10 (PTI).

A sum of Rs. 500 million has been earmarked during the sixth five-year plan for setting up one million family-size biogas plants.

About 75,000 biogas plants are at the moment operating in the country. The government is also planning to set up 100 community-size biogas plants as demonstration units.

Amongst the major sources of alternative energy, biogas is seen by India's energy planners as the most promising at the current level of technological development.

The aim is to help villages become self-reliant in their fuel needs. By reducing the demand for firewood, the biogas programme should also check deforestation and reduce the burning of cowdung.

### Subsidy

Biogas is mainly used for cooking but it can also be used for lighting, running diesel engines for irrigation and for generation of electricity. The use of biogas plants in villages, when linked to toilets, can also help in improving sanitary conditions.

Most of the funds allocated by the government will be spent on providing subsidies for the erection of family-size plants and for training people to construct them. Anyone setting up a family-size plant gets a 25 to 50 per cent government subsidy.

Community-size plants will probably be totally subsidised by the government. But even this major programme will tap only a fraction of the country's total biogas potential.

According to the former secretary of the planning commission's working group on energy policy, in India cowdung alone has a potential of 18.75 million family-size biogas plants and 5,60,000 community biogas plants, with a daily capacity of 1.7 and 142 cubic metres of gas respectively.

The one-million target of family-size biogas plants under the sixth five-year plan will, therefore, cover just five per cent of the potential capacity.

There are three major thrusts of biogas research in the country. The first is to design and construct cheaper biogas plants, using local skills and materials. The second is to find new feeds for biogas plants to supplement cowdung. The third is to design and construct community biogas plants to suit even those who do not have cattle.

The most common design in India is the one developed by the Khadi and Village Industries Commission (KVIC). It consists of an underground cement pit covered by a metal gas-holder which floats over the gas produced in the cement pit by the fermentation of the cowdung. The metal drum in the kvic design generally comes from an urban workshop.

The drumless design, known as the Janata model, has been developed by the gobar gas research centre of the Planning Research and Action Division (PRAD) of the government of Uttar Pradesh at Ajitmal. The design is similar to the Chinese biogas plants. In this, the gas holder and the fermentation pit are combined into one brick and cement structure. The advantages of this design are that it is as much as 50 per cent cheaper and it is possible for a trained villager to build the entire plant himself.

But it is not possible to build community-size Janata plants. There are about 72,000 KVIC plants and about 2,500 Janata plants in the country. Technically, the main problem with the KVIC model is the corrosion of the metal drum. In the Janata model, leakage can occur if it is not constructed properly.

The application of science and technology to rural areas body of the Indian Institute of Technology, Bangalore, has modified the KVIC design so that it is possible to get gas within only 35 days of feeding the plant. The KVIC usually takes 55 days. The ITI body has set up two plants on an experimental basis and claims that they are 40 per cent cheaper than the KVIC plant.

The A. M. M. Murugappa Chettiar research centre in Madras is designing a biogas plant in which the gasholder is made of PVC plastic.

The Structural Engineering Research Centre (SERC), Roorkee in Uttar Pradesh, has developed ferro-cement gas-holders made of wire gauze coated with cement.

CSO: 4220/7267

GUJARAT HARVEST PROSPECTS BRIGHT DESPITE WEATHER

Bombay THE TIMES OF INDIA in English 11 Jul 81 p 6

[Article by T. E. R. Simhan]

[Text] Ahmedabad.

The prospects of a rich kharif crop this year are bright in Gujarat despite a slight delay in the onset of the monsoon.

Rains have been fairly satisfactory and generally widespread all over the state excepting in a few pockets.

Sowing operations have been virtually completed in all the areas receiving good rains, according to Mr. S. N. Joshi, additional director of the state agricultural directorate.

Reports reaching here speak of pre-monsoon sowing of groundnut over 80,000 hectares in Rajkot and Baroda where irrigational facility is available.

The flowering stage has also reached in some areas. In a few pockets of Kutch like Bachau and Lakhpat, however, rains have not been so widespread as to induce farmers to commence sowing in the first round of rain. Meanwhile, according to the latest reports, the second wet spell is on, bringing fresh hopes to the farmer.

Official statistics indicate that gradually both the total cropped area and kharif crop production are on the increase since 1979-80. For instance the total area cropped for kharif foodgrains in 1979-80 was 32.94 lakh hectares which yielded 23.07 lakh tonnes. This rose to 33.95 lakh hectares in 1980-81 with an output of 26.28 lakh tonnes of foodgrains.

The forecast for 1981-82 is 27.20 lakh tonnes of foodgrains over the same acreage as in 1980-81.

The state hopes to reap a bumper groundnut crop in 1981-82 to the tune of 23.00 lakh tonnes, against 16.31 lakh tonnes in 1980-81. This optimism stems from the fact that sanction has been received from the Centre for the Rs. 35-crore project for improving cash crop production over a period of three and a half years in the state.



Gujarat's total agricultural income, from both rabi & kharif, is estimated around Rs. 1,700 crores, the latter contributing nearly two thirds. Kharif crops include, besides the major ones, cotton and groundnut, rice, jowar, bajra, maize, ragi, kodra, small millets and pulses like tur.

#### Green Picture

Farmers in Baroda, Broach and Kheda have done drilled paddy operation, i.e., paddy not needing transplantation.

On the whole the picture painted by the officials is green with granaries overflowing.

Interestingly, however, despite increased foodgrains output, the state's overall position is one of deficit. Gujarat will still have to depend upon other states for many of its food needs, particularly pulses and wheat.

CSO: 4220/7267

## BIHAR AUTUMN HARVEST MAY EXCEED LAST YEAR'S

Bombay THE TIMES OF INDIA in English 12 Jul 81 p 6

[Article by Janak Singh]

[Text]

## PATNA.

**T**HANKS to widespread rains especially in areas under paddy and several new incentives given to farmers for using seed and fertilisers, the kharif crop in Bihar is expected to be better than last year.

With the monsoon continuing to be active, the yields of some crops like pulses may even surpass the targets. According to agricultural experts of the state government, rice production may increase from 5,600,000 tonnes last year to 6,140,000 tonnes, pulses from 150,000 tonnes to 200,000 tonnes and of jute from 1,000,000 bales to 10,250,000 bales.

But these bright prospects can be upset by floods if they are of greater intensity than is the case in a normal year.

Due to plentiful rains, paddy transplantation could be started much earlier in some areas. According to reports reaching the state capital, 30 to 35 per cent of paddy transplantation had been completed in the Kosi and Gandak command areas by the end of June.

Besides nature's bounty, additional inputs like distribution of 58,000 quintals of paddy seed against 46,000 quintals last year and 92,000 tonnes of fertilisers against 72,000 tonnes previously are likely to ensure that the size of paddy and other kharif crops this year would be bigger than ever before.

According to a new scheme of incentives launched by the state government last year, farmers are entitled to a subsidy of Rs. 30 per quintal on certified seeds and Rs. 20 per quintal on "truthfully levelled" seed.

Power concessions offered to farmers in areas dependent on tubewell irrigation are also likely to improve the size of the crop.

In Bihar, out of net 8,400,000 hectares where rabi and kharif crops are raised, 5,500,000 hectares are under paddy, 850,000 hectares under maize, 300,000 hectares under pulses, 200,000 hectares under oilseeds, 187,000 hectares under jute and mesta, and 140,000 hectares under sugarcane.

While the onset of monsoon rains earlier than usual has benefited most kharif crops, it has had an adverse effect on maize. Due to continuous rain, the maize crop has not been able to grow well.

In certain areas, maize sowing has been delayed by rains. Some experts fear that the maize crop loss may be 15 per cent or more. As such, maize yields may fall below the target of 1,025,000 tonnes for this crop.

## FLOOD THREAT

Since maize is both a kharif and a rabi crop in Bihar, better rabi yields, if possible, could make good the poor kharif yields.

According to a crop expert of the agriculture department, the state continued to remain dependent on rain. Of the total area under kharif operations, only 18 per cent has assured irrigation. The rest depends on rain.

The swollen rivers of north Bihar may submerge 800,000 to 900,000 hectares. At least 200,000 hectares where kharif crops are sown remain under water up to September.

Every year, agricultural planners make ambitious proposals to achieve higher targets. Usually, the schemes are considered and approved by the

state cabinet. Huge allocations are made for their implementation. The process is repeated year after year.

## FOOD DEFICIT

While there has been some improvement, it is not of the scale and order required to make Bihar self-sufficient in foodgrains. Last year, both kharif and rabi crops accounted for 10,600,000 tonnes. This was the highest yield ever attained in the state. Even this was about 2,000,000 tonnes short of the total annual demand of the state.

While there can be many reasons for this, inquiries reveal that an important factor militating against better agricultural growth is the slow pace of agricultural extension operations in the rural areas. A very large number of posts both at junior and senior level remain unfilled.

## FARMING NEGLECTED

For the past two years, Bihar has been without a director of agriculture. Sometime ago, due to caste politics, an attempt was made to appoint an agricultural engineer as director of agriculture.

Luckily, the move was given up. Bihar is predominantly an agricultural state. Yet problems of farm and crop husbandry do not receive the attention they deserve.

Bihar is one of the important centres for the production of chemical fertilisers in the country. Yet, the allocation of chemical fertilisers to the state is always short of the demand.

While the bulk of poor farmers with small holdings cannot afford fertilisers to raise production, those who can go in for such inputs are often denied their supply.

## KERALA URGES DELHI TO KEEP RICE COMMITMENTS

New Delhi PATRIOT in English 11 Jul 81 p 3

[Text] Trivandrum, July 10

The Kerala Assembly has urged of the Centre to keep its rice supply commitments to the State in order to meet in full the statutory rationing obligation made imperative by the exigencies of price rise and shortage felt during the months.

A non-official resolution that was carried without division today estimated the monthly requirement of rice at 1.94 lakh tonnes on the basis of 12 of ration per head per day as the minimum quantum statutorily accepted against this physical target actually needed the Centre slashed its commitment to 1.35 lakh tonnes but the actual availability from the Food Corporation of India had been much less-- 65,000 tonnes in May and 84,000 tonnes in June, Minister for Food and Civil Supplies S E Chandrasekharan Nair disclosed while summing up the debate on the resolution.

Opposition benches, particularly Cong-I members, sought to lay the blame on the State Government for the difficulties experienced in ration distribution in many parts of the State and the price spurt for rice in the open market because, they argued the public distribution system failed to take advance measures to cope with the situation. Minister Chandrasekharan Nair conceded that the FCI had its own problems in overcoming the frequent bottlenecks in keeping the railway wagons moving.

However, attempt to absolve the Centre of its food supply commitments to Kerala and blame the State for the disruption in ration will only help aggravate the situation, not absolving it, the Minister said.

Mr Nair reminded the Opposition that the State Government had not remained indifferent to the price rise trend in the open market as has been alleged.

The State Civil Supplies Corporation continued to act in vigorous way to effectively counter the price rise not only in rice but in most other essential articles and sell at controlled rates.

CSO: 4220/7271

INDIA

SUGAR PRODUCTION THROUGH 15 JUN HIGHER THAN LAST YEAR

Bombay THE TIMES OF INDIA in English 12 Jul 81 p 6

[Text] New Delhi, July 11 (UNI): Sugar production during the first fortnight of June, 1981 was about 4,000 tonnes as against 3,000 tonnes during the corresponding period last year, according to the Indian Sugar Mills' Association.

This brings the total production till June 15 for the season 1980-81 to 50.45 lakh tonnes against 38 lakh tonnes during the corresponding period last season.

The off-take of sugar from factories during the first fortnight of June 1981 was about 2.02 lakh tonnes for internal consumption and nil for export against 1.88 lakh tonnes for internal consumption and nil for export during the same fortnight last season.

The total off-take till June 15 was about 32.50 lakh tonnes for internal consumption and 60,000 tonnes for exports against 38.33 lakh tonnes for internal consumption and 2.3 lakh tonnes exports during the corresponding period last season.

The total closing stock of sugar with the factories as on June 15, 1981, was 22.20 lakh tonnes against 17.10 lakh tonnes on the same date last season.

CSO: 4220/7273

## BRIEFS

**ANDHRA PRADESH MINISTER'S DEATH**--Hyderabad, July 11 (UNI): The Andhra Pradesh panchayat raj minister, Mr. P. Seshavatharam, died at the Gandhi Hospital here this afternoon. He was admitted to the hospital in a critical condition with abdominal bleeding this morning. Mr. Seshavatharam, 55, is survived by his wife, two sons and two daughters. He had come out of a cabinet meeting yesterday evening complaining of abdominal pain. Mr. Seshavatharam, who belongs to West Godavari district, had participated in the freedom struggle. He was elected to the assembly from Narsapur. He is the second Andhra Pradesh minister to die in office during the last two months, the other being Mr. G. Rajaram, finance minister, who was killed in an accident. [Text] [Bombay THE TIMES OF INDIA in English 12 Jul 81 p 7]

**ANDHRA PRADESH MINISTERS RESIGN**--Hyderabad, July 11 (UNI): Two Andhra Pradesh ministers, Mr. G. Sriramulu Naidu and Mr. K. E. Krishnamurthy, today resigned from the cabinet following their selection as Congress (I) candidates to contest the chairmanship of zilla parishads of Srikakulam and Kurnool districts. The governor has accepted their resignation. Mr. Sriramulu Naidu was the minister for medium irrigation, while Mr. Krishnamurthy was minister for small-scale industries. [Text] [Bombay THE TIMES OF INDIA in English 12 Jul 81 p 7]

**WEST BENGAL FRONT**--Lucknow, July 11 (UNI): The socialist leader, Mr. Raj Narain, said today his party would support the CPM-led government in West Bengal and try to foil all attempts of Congress(I) leaders to topple opposition governments in West Bengal and other states. Addressing the first state conference of the Uttar Pradesh Socialist Party, Mr. Raj Narain said he was definitely in favour of unity of the opposition parties on the basis of a common agreed programme. The unity of like-minded opposition parties was necessary for a strong opposition in the country, he added. The formation of a strong opposition party after merging various like-minded political parties to provide a viable national alternative to the Congress(I) would be the second step toward opposition unity, he said. [Text] [Bombay THE TIMES OF INDIA in English 12 Jul 81 p 7]

**KHALISTAN CURRENCY**--Amritsar, July 11 (UNI)--The National Council of Khalistan will issue Khalistan currency on 22 November, the birthday of Guru Nanak Dev. Council-Secretary-General Balbir Singh Sandhu told newsmen here today the council would also install "Radio Golden Temple" in the Temple premises here by that time. He claimed that despite oppression and repression by the Government, the Khalistan movement was gaining momentum. [Text] [New Delhi PATRIOT in English 12 Jul 81 p 5]

POLITICAL CONFRONTATION IN OCCUPIED KASHMIR--Sialkot, 3 July (NAWA-I-WAQT Correspondent) - In view of the confrontation that is shaping up between the ruling National Conference headed by Shaykh Abdullah, chief minister of Kashmir, and Congress-I, there are strong speculations that the political situation in the state will take a new turn. According to one source, Shaykh Abdullah has summoned his party's assembly members to Srinagar, the capital, for consultation. Reports say that the National Conference has sent clear signals to the opposition parties that it is not afraid of their challenge in the elections, that it has the power of the people's support, and that it is always ready to show its political muscle. According to reports, Congress-I is not popular among the people of occupied Kashmir and it merely wants to create problems for the Abdullah administration by starting some sort of movement against the ruling party. [Text] [Lahore NAWA-I-WAQT in Urdu 4 Jul 81 p 6] 9612

MARITIME AIR WING CHIEF--Bombay, July 10: Air Vice-Marshal Brij Lal Chadha took over command of Headquarters Maritime Air Operations from Group Captain H. S. Goraya, here today. Commissioned in June, 1951 in the flying (navigation) branch, he not only bagged the sword of honour but also the air works and ground subjects trophies. He has had a very distinguished career with varied experience in operations, administrative and training role. He also had a tenure in the UAR on instructional duties. Prior to his present appointment, Air Vice-Marshal Chadha was deputy director-general, National Cadet Corps, New Delhi. [Text] [Bombay THE TIMES OF INDIA in English 11 Jul 81 p 5]

SOLAR CELL MANUFACTURE--Bangalore, July 10. The control equipment division of the Bharat Heavy Electricals Limited (BHEL) will manufacture solar cells for the use of the Indian Space Research Organisation. An agreement to this effect was signed here on Thursday by Prof U. R. Rao, Director, ISRO Satellite Centre, Bangalore, on behalf of the Department of Space and Mr. K. R. Parameswar, Executive Director, BHEL, Bangalore. BHEL, under the agreement, will supply about one-lakh space-qualified solar cells to ISRO during the next five years. These cells will be assembled into panels by ISRO and used on space missions. The Bhabha Atomic Research Centre (BARC) has provided technical know-how to BHEL for the manufacture of solar cells. BARC developed cells were tested and qualified at the ISRO Satellite Centre, Bangalore, earlier and a few of them were successfully flown on Bhaskara and Rohini satellites. BHEL has plans to extend the technology to terrestrial applications, for which potential exists in the country. [Text] [Madras THE HINDU in English 11 Jul 81 p 9]

NAGALAND INSPECTOR GENERAL--Kohima, July 10 (UNI)--Mr V Tripathy, IPS, today took over as Inspector-General of Police, Nagaland. Prior to his appointment here, Mr Tripathy was additional IGP, Orissa. Outgoing I G Siva Swarup will take over his new assignment as Inspector-General of Border Security Force, Jammu and Kashmir. [Text] [New Delhi PATRIOT in English 11 Jul 81 p 3]

TEAM TO UGANDA--Delegation of the Association of Indian is to night Uganda at the invitation of that government Engineering Industry to assess the possibilities of bilateral trade, and investments in that country, according to an AIEI press release. The statement said that possible areas of cooperation could be in the establishment of new textile units, manufacturing and service centres for two-wheeler scooters, battery units, manufacturing and service centres for two-wheeler scooters, battery units, manufacture of steel and PVC pipes for water and sewage and bicycle assembly plants. [Text] [New Delhi PATRIOT in English 12 Jul 81 p 10]



NATIONAL DEFENSE INSTITUTE HEAD FEELS WORLD WAR III UNLIKELY

Jakarta HARIAN UMUM AB in Indonesian 20 May 81 pp 1, 3

[Article: "Governor LEMHANNAS Sutopo Yuwono: There Will Be No World War III, Only Limited Wars"]

[Exceiprts] Governor LEMHANNAS [National Defense Institute] Sutopo Yuwono feels that World War III so often prophesied in relation to the restless world situation recently won't take place. What will occur will be limited regional wars that are determined by and dontrolled by the giant powers. In addition, wars of sub-version will continue as can be seen in several areas right now.

Suyono Yuwono said this in a press conference held in connection with the dwi windu [16th] anniversary celebrations of the higher institute of learning.

He said that there is no power in the world in its right mind that wants to see war between the two giant powers, which would mean involving the world in a great disastrous distruction. He feels the possibility of this is very slight.

Suyono Yuwono said that to safeguard the balance, each of the giant powers should see to it that one doesn't become superior to the other. Because if it happened that one were to become superior to the other this would motivate and tempt that one to launch an attack.

In relation to the Indian Ocean region where it appears an arms race is on and where there is the presence of the two giant powers, the ideal would be to create the Indian Ocean as a neutral and peaceful zone. However, if this isn't possible, then there must be a balance between the giant powers in the Indian Ocean.

Touching on Kampuchea, he said it is necessary to find a solution in a reasonably short time. He hopes all parties will be realistic. In the solution to the Kampuchean problem Indonesia can play an important role because of its good relations with Vietnam and also its strong position in ASEAN [Association of South East Asian Nations].

Suyono Yuwono added that an international conference on Kampuchea would not succeed if the USSR and Vietnam don't take part.

On the other hand Vietnam and the USSR must also understand the situation realistically, that the Kampuchean problem can't be solved without the agreement of the neighboring ASEAN countries and other countries in the world.

To guard against the danger of the involvement of the two giant powers in ASEAN countries, it is proper for regional defense to be increased. The defense of each ASEAN country and the willingness among ASEAN countries to carry out cooperation would represent a regional defense which would become a shield capable of overcoming every kind of danger from without.

It would seem that threats in the form of open large-scale invasions won't take place. Still what clearly will continue as actual threats are infiltration and subversion which could come from every side. Subversion is not only political but can also be economic, cultural or even in defense and security.

During celebrations of LEMHANNAS's dwi windu anniversary the press asked what successes LEMHANNAS had achieved. In this relation Lt Gen Suyono Yuwono explained that much has been accomplished, including a large number of alumnae scattered all over who have been entrusted with leadership of important sectors. In the field of concepts, Suyono Yuwono mentioned the National Defense Doctrine and the archipelago concept which are contained in the GBHN [broad outline of state policy and direction] of 1973 and 1978.

Concerning future plans he said LEMHANNAS will continue to improve the concepts already formulated. It will also formulate concepts for national defense and make proposals as a contribution towards formulating future GBHNs. Other things just as important are national leadership and national management.

In finishing the press conference Lt Gen Suyono Yuwono also answered a question concerning restoration of Indonesian-PRC relations. He said that from a diplomatic standpoint, relations are essential with a country as large and important as PRC. But every country must consider its own national interests in restoring diplomatic relations. If the advantages of opening diplomatic relations with PRC are greater than the disadvantages, then we ought to normalize those relations.

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CSO: 4213/78

# INCREASE IN ECONOMIC GROWTH RATE HELPS NATIONAL BUDGET

Jakarta HARIAN UMUM AB in Indonesian 16 May 81 pp 1, 9

[Article: "Minister of Finance To Plenary DPR: Indonesian Economic Growth Up Seven Percent"]

[Excerpt] The Indonesian economic growth rate for 1980 has reached 7 percent, a figure which exceeds the estimate for Repelita III [Third 5-year development program] which was 6.5 percent. This has produced a 10 percent increase in the APBN [national budget] from 10.556 trillion to 11.720 trillion rupiahs.

In this government announcement presented on 15 May by Minister of Finance Ali Wardhana to the DPR [Parliament] while announcing the changes in the APBN for fiscal 1981, he said this was possible as a result of increased activities in various sectors such as agriculture, industry, construction, trade, mining as well as increased income from exports.

He said that agricultural production of unhulled paddy had increased in 1980 to 20 million tons as compared to 18 million tons in 1979.

Other sectors such as construction, communications, transportation and trade also showed encouraging increases. Also it is estimated that actual income from exports for fiscal 1981 will increase by \$22.7 billion, an increase of 27.6 percent over export income for the previous year.

In addition, the occurrence of a surplus in continuing transactions for fiscal 1981 has resulted in an increase in Indonesia's foreign exchange reserves.

At the same time inflation control efforts are being carried on in the country so that the rate in fiscal 1981 was held to 15.9 percent, a rate lower than the previous year. This has resulted in the development of fairly stable prices for basic needs and export commodities.

With these increases and additions the government estimates that the APBN for fiscal 1981, which was originally estimated at a balanced 10.556 trillion rupiahs, will become 11.720 trillion rupiahs. However of this 11.720 trillion rupiahs, expenses will only total 11.716 trillion rupiahs. So at the end of the fiscal year there will be a surplus of 4.7 billion rupiahs.

On other main points the minister said it is estimated that actual domestic receipts will reach 10.227 trillion rupiahs, an increase of 1.117 trillion rupiahs over that ratified by the DPR.

Routine expenditures will be 5.8 billion rupiahs, an increase of 220.7 billion rupiahs, so government savings to implement development will be 4.427 trillion rupiahs, while the original estimate was only 3.526 trillion rupiahs.

At the same time, actual receipts of foreign aid income will reach 1.493 trillion rupiahs or 7.8 billion rupiahs lower than planned. So the actual development budget income will be 5.9 trillion rupiahs or 1 billion rupiahs more than the routine budget.

According to the government, there will be an increase in routine expenditures due to larger payments of interest and debt installments, increases in subsidies for food and petroleum raw materials and increased costs for the 1982 general election as compared with original estimates. But on the other hand the expenses for the purchase of commodities and employees salaries will actually decrease over what was estimated.

Actual employees expenses will be 2.02 trillion rupiahs or a "little lower than the original budget". This is partially due to the fact that not all employee positions have been filled and in addition the salaries earmarked for village chiefs and officials who were scheduled to become government employees in fiscal 1981, will only be used in fiscal 1982.

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CSO: 4213/78

PELITA III TRANSMIGRATION GOAL OF 500,000 FAMILIES WILL BE MET

Jakarta HARIAN UMUM AB in Indonesian 22 May 81 pp 1, 7

[Article: "Department of Nakertrans Should Be More Considerate; Moving of 500,000 Family Units Can Be Reached By End of Pelita III"]

[Excerpt] Minister of Nakertrans [manpower and transmigration] Harun Zain is optimistic that the moving of 500,000 transmigrant family units can be achieved by the end of Pelita III [third 5-year development plan]. Cooperation between departmental agencies in the Transmigration Implementation Coordination Board (Bakoptrans) is considered satisfactory and running smoothly.

In commenting on the results of the working session of the department of nakertrans held in Jakarta on 18-20 May Minister Harun Zain said that transmigration reporting can now be handled every day through continual monitoring.

"So, the actual movement of people in Aceh, for example, to Cot Girek in Irian Jaya and to other areas can be known quickly," he stressed.

He said his feeling of optimism is based on the carrying out of the movement of people in the past. If 500,000 family units is the figure for 5 years, then the number to be handled each year is 100,000 family units. This means 8,333 family units must be moved each month.

For the March April-May period, 8,500, 8,836 and 5,122 family units were moved. At present in the third year of Pelita III 50 percent of the work has been completed. The remainder will be finished in the 2 1/2 years remaining in Pelita III. Noting the facility he believes the target of 1/2 million family units can be completed within the allotted time.

Answering a reporter's question on the location changes for transmigration areas, he said there are 100 locations that must be moved from jungle areas to more permanent locations.

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CSO: 4213/78

INDONESIA

SOME HASAN TIRO FOLLOWERS RELEASED

Jakarta HARIAN UMUM AB in Indonesian 23 May 81 pp 1, 9

[Article: "Thirty-Three GPLHT Detainees Released"]

[Excerpts] On 18 May the commander of Laksusda [special executive officer-regional level] Aceh Brig Gen R.A. Saleh freed 33 detainees of the Hasan Tiro Terrorist Group (GPLHT). The release of the 33 detainees was based on results of investigations of them during their detention of 2 years to 3 years 1 month.

Before being released they made declarations and oaths to be faithful and loyal to the Pancasila [ideological basis of the country] and the 1945 Indonesian constitution.

In responding to the release of the detainees, Laksusda Aceh said that their release in addition to being based on humanitarian reasons, had also been decided based on their attitudes while being held and investigated.

However, those who have continued to resist, and only a few of these remain, will be pursued and hunted down until they are found whether they are dead or alive.

Laksusda Aceh explained that there are still a number of GPLHT detainees who will be tried in court because their guilt as followers of the GPLHT is very great.

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CSO: 4213/78



AIRFIELD ON NATUNA ISLAND OFFICIALLY OPENED

Jakarta SINAR HARAPAN in Indonesian 18 May 81 p 12

[Article: "Ranai Airfield Officially Opened"]

[Text] On 16 May Minister of Defense and Security/ Commander of the Indonesian Armed Forces Indonesian Army General M. Jusuf officially opened the Ranai airfield on Natuna Island.

The airfield, which is one of the most northernly located airfields in Indonesia, is very strategic from every viewpoint, both for military needs as well as for the needs of Indonesia's economic development. In his speech Gen M. Jusuf said he considered the construction work on the airfield very difficult because most of the construction equipment and workforce was brought in from outside Natuna Island.

In the past the people of Natuna Island have been dependent on the coming of ships for transportation of the foodstuffs and other necessities needed.

Head of the Ranai airfield construction project Maj Engineer C. Muis explained that following its upgrading, the Ranai airfield has a landing strip 2,250 meters long and 43 meters wide. The 1980-1981 upgrading included completion of the runway, taxi way, apron drainage shelter, work shop and [installation] of visual equipment.

The airfield can be used by all kinds of airplanes owned by the Indonesian government, both civilian and military. Pertamina [National Oil and Natural Gas Co] also lands its regular airplanes at the Ranai airfield to service off-shore drilling programs being conducted by its contractors.

In support of the transmigration program, transport planes carrying transmigrants from their departure areas can land at the airfield. After the official opening Indonesian Airforce planes, OV-10s and A-4 Skyhawks which had taken off from airbases at Pontianak and Madiun landed. Construction of the airfield was planned in 1977 and implementation was speeded up during these last 3 years. Formerly the Ranai airfield was of grass and one third of the strip was covered with water at certain times so it was totally unusable.

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CSO: 4213/78

INDONESIA

INDONESIA WINS TENDER FOR LARGE SAUDI ARABIAN PROJECT

Jakarta HARIAN UMUM AB in Indonesian 19 May 81 p 3

[Article: "Indonesia Wins Tender for Large Project in Saudi Arabia"]

[Excerpt] Indonesia has won the tender for construction of the Raja Azis Military Academy in Saudi Arabia, worth \$205 million. Minister of PU [Public Works] Purnomosidi said this during installation ceremonies for commissioners for state owned companies in Jakarta on 18 May.

According to the minister, in addition to the military academy, there are other tenders for Saudi Arabian military projects that have been won, with contracts worth \$77 million.

He said that Indonesia can be proud of its victories because in addition to the value of the contracts which are fairly large by present standards, it also means we are able to compete with international contractors.

According to the minister, the Raja Azis Military Academy project is located in the midst of projects by strong Asian contractors such as South Korea, Taiwan and Japan.

The Indonesian contractor that succeeded in getting the contract is the ICCI, a large Indonesian consortium which has 18 contractor members at present.

The ICCI was established some time ago on the initiative of Minister of PU Purnomosidi. At present most of the members of ICCI are state owned companies.

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CSO: 4213/78

INDONESIA TO PRODUCE CARGO TRANSPORTS, HYDROFOILS

Jakarta HARIAN UMUM AB in Indonesian 22 May 81 pp 1, 3

[Article: "Nurtanio-produced CN-235 Planes To Be Displayed in Paris"]

[Excerpts] Indonesia will introduce the Nurtanio-produced CN-235 airplane to the international world at the "aero salon le Bourger" in Paris in June. This information is from Dr Ing B.J. Habibie.

According to Habibie, Nurtanio is at present making the prototype of the CN-235. But at the same time Cassa of Spain is also making another prototype.

In introducing its prototype Indonesia will be represented by officials from the deparment of communications. Cassa will be represented by officials from there.

He said that to make a series of planes, there must be proper permits gotten beforehand.

According to Habibie, the CN-235 airplane has already been introduced to the international world through magazines.

But at the show it will be officially introduced. At that time we will be prepared to accept orders from all parties.

He told of the desire expressed by Federal Express to purchase CN-235 planes. They need them for cargo transports.

Minister Habibie also explained that in 1983 Indonesia will produce a passenger ship of the hydrofoil type.

This ship which will be similar to one produced by Boeing will be given the name Bima Samudera by the President, Habibie said.

According to plans, the Bima Samudera will carry 297 passengers. It will not use a propeller system but a jet system.

To evaluate the ship, Indonesia has ordered a hydrofoil from Boeing. It is expected the ship will arrive here next February, he added. The hydrofoil of the Boeing type will be produced at the Navy base in Surabaya. Its designed

speed is around 40-45 knots per hour.

Minister Habibie also said that the actual export of Indonesian helicopters to Iraq hasn't taken place.

"There are problems that must be solved and they are a country still at war," He said.

He added that there is no use in using a helicopter without guided missiles.

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CSO: 4213/78

## BRIEFS

AGRICULTURAL PLANNING COURSE--At 0900 on 11 August 1981, the second agricultural planning study course opened at the Chamka Dong Agricultural Institute. Present were Comrade Mat Ly, vice chairman of the National Assembly and vice minister of agriculture; Comrade Luong Kim Pao, the course supervisor; cadres and employees of various departments of the Ministry of Agriculture; as well as more than 100 trainees. After the flag ceremony and paying respect to the fallen, Comrade Luong Kim Pao addressed the audience on the importance of this agricultural planning study course. After that Comrade Mat Ly gave a speech in which he stressed and highly praised the agricultural planning study course which was very important in building the nation and in rehabilitating the national economy. In conclusion, he emphasized that our entire people, army and all strata of our state power have scored all their great successes by following scientific socialism and Marxism-Leninism. These results were obtained because of our people's understanding and the implementation of the guidelines of the KPRP and our Council of Ministers. At the same time, the firm support and assistance from all friendly socialist countries, especially from Vietnam, Laos and the Soviet Union, has contributed to these achievements. The ceremony successfully ended at 1000 in a sincere and revolutionary atmosphere. [Text] [BK140920 Phnom Penh Domestic Service in Cambodian 0400 GMT 12 Aug 81]

CSO: 4212/26

# LEGALITY OF WAKHAN TRANSFER TO USSR QUESTIONED

Lahore THE PAKISTAN TIMES in English 30 Jul 81 p 4

[Editorial: "The 'Gift' of Wakhan"]

[Text] According to reports, Babrak Karmal, Kabul's puppet ruler, has handed over to Soviet leader Brezhnev a note formalising the cession of Afghan territory of Wakhan to the Soviet Union. Radio Kabul has been reported as lauding the 'exchange of documents' as the 'historic gift of Babrak Karmal,' an obedient communist, to 'the Soviet bulwark of world communism.' An international frontier, touching the territories of Afghanistan, China and Pakistan, has been modified under duress after a century of international custom. It appears that Babrak Karmal went through a farcical ceremony of a legal hand-over at Moscow's Lenin Museum which now houses a record of documents relating to what is purported to be a long negotiated territorial realignment. The record, needless to say, begins with the first Soviet-supported governments of Nur Mohammad Taraki and Hafizullah Amin, both of them assassinated, and culminates with Babrak Karmal.

What can be the international legal status of this cession of territory? Is the Karmal regime a legal regime? Does it even pretend to function with any semblance of national consensus? Since the arrival of 85,000 Soviet troops in Afghanistan, more than three million Afghans have fled their homes to seek shelter in Iran and Pakistan, upwards of half a million have been killed by the Soviet armies, and from among the remaining population most are engaged in guerilla warfare against the puppet regime in all parts of Afghanistan.

In view of these facts on the ground all international and regional forums, including the U.N. General Assembly and the Non-Aligned Movement, have called on the Soviet Union to withdraw its armies from Afghanistan in order that the Afghan people may choose a sovereign government and re-emerge as a free country in the comity of nations. The Soviet Union, practised in the various modes of annexation illustrated in Eastern Poland, Moldavia and other areas since the Second World War has, it appears, added another trophy to its array of terri-

torial gains. Already in April this year the district of Wakhan, a corridor 41 kilometres long and 40 kilometres wide separating Pakistan and China from the Soviet Union, had physically gone under Soviet administration. All the outlets had been sealed off, the local Afghan administrator driven out and the local population forced to migrate to Pakistan as refugees. This action was preceded by an intense propaganda campaign from Radio Moscow accusing China and Pakistan of operating arms supplies and guerilla bands through a piece of high-altitude territory known to history as the Roof of the World for its extremely difficult access. The net result of

the Soviet occupation and administration of Wakhan is that the Soviet Union now abuts on Pakistan and the People's Republic of China. A protective buffer has in effect been eliminated. The present trend in international law goes against revisions of international frontiers under duress because such revisions threaten to expose most national boundaries to negotiation all over the world. Neither the Karmal regime, which takes orders from Soviet generals in Kabul, nor the Soviet Union, which has violated the sovereignty of Afghanistan, are qualified in the eyes of the international community to negotiate the 'gift' of Wakhan as a permanent arrangement.



# RAJAI VICTORY HAILED AS TRIUMPH FOR ISLAM

Karachi MORNING NEWS in English 28 Jul 81 p 4

[Editorial: "Fundamentalists' Victory in Iran"]

[Text]

**T**HE election of Prime Minister Mohammad Ali Rajai as the President of Iran is an event of great significance from the Islamic and the political points of view, not only for Iran but also for the Islamic countries and the world at large. Mr Rajai won with a thumping majority of 87 per cent votes cast as against the 75 per cent secured by Mr Baniadr in the first Presidential election in the country. In both the cases, about 14 million votes, out of the 22 million eligible, were cast. Mr Rajai's greater popularity is a good omen for the stability of the country and the future of the Islamic revolution brought about by the Muslims in Iran. It settles finally that fundamentalists drawing inspiration from Islam and the native soil will rule Iran. From now on the so-called modernists, liberals and leftists will have to fight a defensive and a losing battle. Mr Rajai's election as the President is reassertion of the faith of the Iranian Muslims in Ulama as rulers of the country and also a ratification of the policies being followed by them to consolidate the revolution.

The Islamic Revolution in Iran has reaffirmed the eternal truth that Islam is a dynamic and a progressive code of life which has the capacity to inspire even the most suppressed people on earth to topple the most ruthless monarchy of the age. Mr Rajai's victory ensures that none but the Ulama have the power and authority, and confidence of the people, to lead the country. In the last few months of the tenure of the deposed President, the fight between the fundamentalists, consisting of Ulama and their followers and the so-called modernists and liberals, as represented by Mr Baniadr, had come in the open. There were violent street fights in Tehran and

other cities between the supporters of Mr Bani-sadr and Ulema, in which many people lost their lives. That Mr Bani-sadr did not in fact belong to the group of the architects of the Islamic revolution, and was not serious about it either, is evident from the fact that after being disowned by Ayatollah Khomeini he was readily owned by the leftist Khalq-i-Mujahideen who saw a chance of distorting the course of the Islamic revolution in Iran under his cover. Ayatollah Khomeini said in an interview, while passing through Karachi a few months back, that (President) Bani-sadr was not serious about the Islamic revolution.

In the context of the 73-year-old fight of the Ulema for the restoration of Islamic law in Iran, dating back to 1906, costing much in blood and tears, Mr Bani-sadr's bid to usurp the arbitership of the nation's destiny from the real architects of the revolution is quite untenable. His attempt to set up a parallel government, his call to boycott the present presidential election and his exhortations to stir up trouble, all point to the fact that he is totally out of tune with the mood of the country and has missed the message of the great revolution. It is surprising that the anti-revolutionary essence in the makeup of Mr Bani-sadr was totally missed earlier. Iran would have been spared much trouble if Ayatollah Khomeini and other Islamic leaders had thoroughly scrutinised Mr Bani-sadr's credentials for heading the Government at this crucial period in the history of Iran. And that makes it utmost necessary for them to be vigilant in future. The fight of Iran with the internal and external enemies of Islam has not yet ended and these elements have the whole wide world as their hinterland to draw upon for support and guidance. The Islamic revolution in Iran has yet to be consolidated on so firm a base as to make it safe against all attacks. As the new President of Iran, Mr Rajai will have to shoulder heavy responsibilities at the most critical period in the nation's history. We hope he will act with sagacity and prudence and will see Iran safely out of its present travails.

DISSENSION REPORTED IN AL-ZULFIQAR BASE

GF081205 Karachi DAWN in English 6 Aug 81 pp 1, 3

[Text] Peshwar, 5 Aug--More reports trickling from across the borders regarding incidence of violence at the "al-Zulfiqar" base in Kabul last week reveal intriguing details of internal strife and dissensions among members of the terrorist organization and involvement of Karmal regime.

Some foreigners reaching here from Kabul, quoting diplomatic sources said, the incident on 26 July reportedly resulted in 12 casualties, dead and wounded, as a result of exchange of fire inside the premises which Kabul authorities have provided to "al-Zulfiqar" for use as its base.

According to a police patrol party, a burst of fire was heard first from within the building on the morning of 26 July. It was followed by an exchange of fire which continued for about 15 minutes.

These reports said the Pakistan terrorists residing in the building seem to be divided into two groups, one led by hijackers of PIA Boeing and the other by agents provocateurs being trained by Kabul authorities for subversive activities in Pakistan.

The bone of contention between the two groups has been the distribution and control of funds provided by Kabul authorities and the tussle of control the terrorist organization.

It is believed in Kabul that as a result of an earlier scuffle the two groups again fell out on the day of incidence and resorted to sporadic firing at each other killing and seriously wounding 10.

The group opposing hijackers is reported to have been voicing protest at the discriminatory treatment meted out to them at the base. Several of them showed reluctance to accept orders to go to Pakistan on errands of sabotage and subversion. They have been publicly saying that they were not told at the time of coming to the base that they would be deployed to do this type of work.

Another report from Kabul said the three Afghan guards posed at the entrance of the al-Zulfiqar base were also killed during this firing incident.

On hearing gunfire a crowd gathered outside the premises and the guards tried to disperse them. In the confusion which followed, the guards opened fire resulting in some casualties among the crowd. In retaliation shots were fired from among the crowd killing all the three guards, the reports said.

Reports circulating in Kabul further indicate that Kabul authorities have felt pretty embarrassed over growing world revulsion to its act of protection of hijackers. The recent resolution at the Ottawa summit asking Kabul to return hijackers to Pakistan and threatening international action in case of its failure, certainly had its impact on Kabul authorities.

In the recent past Soviet bosses in Kabul have also been showing their growing dissatisfaction over poor performance of the hired Pakistanis and the hijackers. Doubts were also expressed about credentials of a number of these hirelings, and a general feeling was that steps would be taken by Kabul on the instance of Russians to get rid of some of them.

So far the Kabul authorities have remained silent on the incident and tried to hush it up. There has been no Kabul version which strengthens the belief that the Karmal government might have something to do with this incident.--APP.

CSO: 4220/371

# SAUDI PEACE PLAN EXAMINED

Karachi DAWN in English 10 Aug 81 p 9

[Editorial: "Fahd's Plan"]

[Text]

**C**ROWN Prince Fahd's seven-point plan for a Middle East peace settlement and its categorical rejection by Israel serve to illustrate the moderation and pragmatism of the Arabs on the one hand and the growing intransigence of the Israelis on the other. The plan put forward by the Saudi Arabian leader comes as a major development in the international quest for peace in the Middle East. Until now proposals of this nature have been sponsored by outside Powers and, with the exception of Egypt, no other Arab State has so far shed its ambiguous posture towards the question of Israel's recognition. The Saudi Arabian plan speaks of the recognition of the right of all States in the region to live in peace, which amounts to a conditional de facto recognition of Israel. This could prove to be a major breakthrough in the Middle East stalemate only if Israel were willing to meet the Arabs half way. The plan put forward by Prince Fahd is most

realistic and balanced in all respects. Based on various UN resolutions, it is pragmatic in that it does not make excessive demands on any party but is also juristically valid since it conforms to the precepts of international law. Thus, it calls for the Israeli withdrawal from occupied territory and yet guarantees the freedom of worship for all religions in the holy land. It calls for the removal of Jewish settlements from the West Bank, Gaza and the Golan Heights and the establishment of a Palestinian State with the Arab sector of Jerusalem as its capital. But as a transitional measure the plan envisages a UN trusteeship over the West Bank.

The success of Prince Fahd's plan now depends on the response it receives from the other States. The Israeli Government's prompt rejection is not really surprising. Its stand on Jerusalem and the Jewish settlements has been in blatant violation of basic human rights and all norms of international law.

Moreover, given the stepped-up belligerence Israel has of late been displaying, the attack on Iraq's nuclear reactor and the air raids on Beirut being the latest demonstration of Mr Begin's brand of state terrorism, Tel Aviv could have hardly been expected to respond more positively to Prince Fahd's offer. But it is more important that the American Government should grasp the full implications of the Saudi Arabian plan and the potential it holds for bringing peace to the Middle East. Although the Reagan Administration has refused to change its policy vis-a-vis the PLO, it seems to be inclined to show an understanding of the fundamental importance of resolving the Arab-Israeli dispute. But the Camp David process

to which the American Government has reverted holds no promise for a permanent settlement in this crisis-ridden region.

The urgent need for a new approach can hardly be overemphasised, and the Saudi plan offers just the opening that can initiate progress towards peace. Mr Philip Habib's success in arranging a cease-fire between the PLO and Israel, however tenuous it might be, speaks of the leverage Washington has with Tel Aviv. It should not be impossible for the US to prevail over its protege to open negotiations on the basis of the Fahd plan, rather than try to resuscitate the Camp David process which can never lead to a settlement of the Palestinian issue.

CSO: 4220/276



ITALIAN FIRM OFFERS TECHNOLOGY ON WOOD DEBARKING MACHINERY

Karachi MORNING NEWS in English 6 Aug 81 p 8

[Text] An Italian firm has expressed keen interest in the transfer of know-how for partial total production in Pakistan of their debarking machines, according to the Italian Embassy in Pakistan.

Potential machinery manufacturers in Pakistan have been advised to contact the Italian firm (Mundus-Officina Mecchanica Galliatese Galliate Italy) directly.

The firm has been manufacturing a full range of debarking machines. These machines can debark every type of wood and in different conditions.

During the first five-year cooperation, the sale of the debarkers manufactured in Pakistan will be effected in Pakistan only. After five years, the Pakistani partner can manufacture the whole machine in his country without payment of any royalty.--APP

CSO: 4220/276

## DEVELOPING COAL PROCESSING INDUSTRY URGED

Karachi DAWN in English 9 Aug 81 p 5

[Article by Mohammad Nasir Khan]

[Text]

**COAL** is now considered as the main future source of energy supply in Pakistan. At the moment the largest share in the supply of energy is that of oil, the import of which is a very big drain on the country's meagre foreign exchange sources and amounts to over \$1.5 billion a year.

Moreover, the oil prices have risen 3 to 4 times since 1973. The reserves of gas, which forms about 40 of the total energy supply, are rapidly depleting. Nuclear power supply is uncertain. Renewable energy sources such as solar, wind, tide and thermal, are incapable of meeting more than a small proportion of energy needs and are not yet fully commercially exploited. Only coal is left and it holds the prospect of bearing the main source of energy supply.

### Fruitful technology

Coal composed of carbon, hydrogen and oxygen is used for generation of electricity, steam power, for transportation and industrial uses, comfort heating, metallurgical processes, the making of ceramic products, etc. It is carbonised to produce coke, ammonia, coal tar, coal gases and benzol from which a big number of chemicals are derived. Fuel gases are produced by complete gasification of coal.

duction of coal during the last six years.

Carbon products are made by heat treatment. Relatively small amounts of coal are used direct for miscellaneous purposes such as filters, pigments, foundry facings, and for water filtration. Almost any organic chemical can be produced from the products of coal carbonisation.

Coal produced in Pakistan is lignite to sub-bituminous, showing non-caking or weakly caking properties. These have low content of fixed carbon, high sulphur and ash and low to moderate calorific values.

Major coal fields are located at Pir Ismail Ziarat, Sore Raseg Deghari, Mach, Harval, Sharigh, Khoat and Duki in Baluchistan, Dandot, Ara, Kattia, Chamlool, Pir Jabanian, Makerwal in Punjab, and Metting, Jhimpir and Larkana in Sind. Recoverable reserves are estimated at 400 million tons.

A large quantity of coal reserves has been recently found near Ihatta. The work is continuing to determine the size and quantity of this reserve. The present production of coal in Pakistan is estimated at 1.3 million tons a year. The following has been the pro-

Year	Production
1974-75	1,295,000
1975-76	1,055,000
1976-77	1,200,000
1977-78	1,251,000
1978-79	1,387,000
1979-80	1,569,000

SOURCE: Statistics Division

A small quantity of coal was also imported. However, the import has jumped from 16,000 tons in 1977-78 to 600,000 tons in 1979-80. The import figures are given below:

#### IMPORTS

	(Tons)
1974-75	17,000
1975-76	13,000
1976-77	23,000
1977-78	16,000
1978-79	—
1979-80	600,000

SOURCE: Statistics Division

The sudden increase in the import may be on account of the Steel Mills.

The major consumption of local coal is in brick kilns. The use of coal for power generation, domestic and other purposes forms only 3 per cent of the total consumption.

According to knowledgeable persons the consumption of coal in Pakistan is higher than the above estimates at about 1.8 million tons in 1979-80. However, the growth rate of about 5 per cent during the last six years is almost negligible as compared to that of other sources of energy in the country. In fact the use of coal as a source of energy has dropped from 5.3 per cent in 1958 to 3.5 per cent in 1978-80 as a result of increased use of oil and gas. It is the third lowest after LPG (0.3 per cent) and nuclear energy (0.2 per cent).

#### Uses

Although the per capita consumption increased from 0.120 T.O.E in 1975-76 to 0.157 T.O.E in 1980-81 or at the rate of 5.3 per cent per annum, it is one of the lowest in the world. The world average is 1.000 T.O.E. To catch up with even some developing countries, we need a tremendous increase in the supply of our energy sources.

The reserves of coal far exceed the known resources of all other mineral fuels. It has again become the cheapest source of heat and power. Apart from conversion of coal to a clean and economical energy source, improvement in the coal technology has made it possible to make the best use of coal

reserves which will now last very much longer due to the use of new coal technology.

The quality of coal has also improved through different processes. There have been some very impressive advances in boiler technology, combustion as well as method of coal and ash handling. It is now possible to operate in excess of 80% thermal efficiency and this makes coal firing both very economical and competitive.

Before use, coal is now graded, cut to different sizes, cleaned, washed and dried. The process of gasification and liquification have also made the use of coal more economical and convenient.

In Pakistan, there was no coal processing industry. A coal briquetting plant was first set up at Quetta to make use of waste or dust coal. Its average annual output is estimated at 10,000 tons a year. Last year a coal washing plant with a capacity of 75,000 tons/year was set up at Sharigh. It will meet a small part of Karachi Steel Mills requirement for coal.

#### Gasification

Sharigh is the only coal field in Pakistan where medium cooking coal is found. This coal is high in ash and sulphur contents, which make it unsuitable as raw feed in coke making. Therefore mechanical washing is needed before its use in the manufacture of coke. Karachi Steel Mills will blend the local coal with high grade imported coking coal. In this way about Rs. 52.00 million a year in foreign exchange are likely to be saved.

According to coal experts, the future demand for coal on the basis of conventional uses is estimated to increase at 8.15 per cent per annum from 1981 to 1990. This is quite significant when compared to the growth rate of 1.4 per cent during 1971-72 to 1978-79. But the coal must be increasingly used for power generation and processed into synthetic fuels i.e. gas fuels, liquid fuels and feedstock for chemicals and fertilizers.

The commercial production of fuels by gasification of coal is already being done in South Africa and Federal Republic of Germany. It can be started in Pakistan also, particularly underground gasification, by which large coal resources in steeply dipping seams, which are not economically recoverable by conventional mining, can be used.

Similarly by the direct liquification method, coal can be used as fuel for tomorrow's car and firing boilers.

## PAKISTAN

### BRIEFS

FRG DEBT RELIEF--The Federal Republic of Germany is to provide Pakistan with a debt relief equivalent to \$58.4 million under an agreement signed in Islamabad this morning. The debt relief related to a period of 18 months from the 15th of January this year to the 14th of July next year. The rescheduled debt will be paid in 20 years including a grace period of 10 years with an interest rate of 2.5 percent per annum. The debt relief has been extended in pursuance of the memorandum of understanding concluded with the aid to Pakistan consortium in Paris on the 14th of January this year. [Text] [BK241419 Karachi Domestic Service in English 1700 GMT 22 Jul 81 BK]

ENVOY TO KENYA--Islamabad, 7 Aug--The Government of Pakistan has announced the appointment of Mr N. A. Ashraf as ambassador of Pakistan to Kenya, says a press note issued by the Ministry of Foreign Affairs here today.--PPI[Text] [CF110543 Karachi DAWN in English 8 Aug 81 p 6 GF]

RELATIONS WITH INDIA--Islamabad, 10 Aug (APP)--The defense minister, Mir Ali Ahmed Talput, said here today that Pakistan was keen to build up its defense capability, but at the same time it wanted to have friendly relations with the neighboring states. Presiding over a special function on "Indian Military Buildup and Pakistan-U.S. Agreement," held at the Pakistan National Center this evening, he maintained it would be a wrong assessment that Pakistan had any aggressive designs in the context of obtaining arms and improving its military capability. He said this was also a fact that Pakistan was not unaware of the regional developments and could not ignore the current state of affairs in the region. The minister said that Pakistan had always made efforts to establish good neighborly relations with India. The minister said the largest steel mill in the country was installed with Soviet help. He maintained that another socialist country, China, had always excellent relations with Pakistan and had been helping this country in the time of need. He said that in the agreement reached with the U.S., there were no preconditions and the sovereignty of Pakistan had been kept in view at every step. [Excerpts] [CF131632 Karachi DAWN in English 11 Aug 81 pp 1, 10]

ILLICIT ARMS HAUL--A big illicit arms haul was made by the Mahmoodabad Police from a two-story house in Manzoor colony, informed sources said last night. According to details available, the illicit arms including Stenguns, revolvers, pistols and cartridges were found concealed in eight boxes. These sources stated that one Nisar Khan and two others have been detained in this connection, adding that the arms were "smuggled" on camel backs from Afghanistan and later shifted to Karachi for disposal. [GF131715 Karachi DAWN in English 10 Aug 81 p 1 GF]

PAKISTANI VISAS--Pakistan has liberalized visa facilities to Indian citizens and according to latest official information available in Islamabad, the Pakistan Embassy in New Delhi is currently issuing nearly 11,000 visas to Indians every month. Officials here said this was threefold increase in a span of about 3 years. Most of the visitors from India are muslims, they said. [Text] [Karachi DAWN in English 12 Aug 81 p 4 GF]

BALUCHISTAN HEALTH FACILITIES--Quetta, Aug 5--The Baluchistan Government is paying full attention to provide better health facilities in the rural areas of the province. For this purpose 32 basic health units and seven rural health centres have been completed during the last financial year at a cost of Rs 8.922 million. Moreover, adequate attention was being paid to the provision of medical facilities in the urban areas of the province. For this purpose more than 200 beds have been added to the different hospitals in the province. The work on the expansion of provincial Civil Hospital, Quetta, has been completed at a cost of about Rs four million. Various maternity and child health centres have been provided commodities worth Rs eight lakh under the World Food Programme in the province. Different hospitals and dispensaries in the province have also been supplied with supplemental equipment worth Rs. five lakh. In order to solve the residential accomodation problem of medical staff working in various parts of the province an amount of Rs 1.4 million has been spent on the construction of houses.--PPI [Text] [Karachi DAWN in English 6 Aug 81 p 6]

TRAFFIC TICKETS IN KARACHI--[Editorial] - Karachi traffic policemen have been given the authority to issue traffic tickets. Only the police sergeants have had this power until now. The situation has created new sources of income for the policemen. They don't bother buses, mini buses, taxis or motor scooters because most of those vehicles belong to members of the police force. To give them a ticket can mean trouble for the ticketing policemen. Instead, the newly-gained authority is being exercised entirely on the owners of private cars and motor-cycles. They are threatened with a violation on the slightest excuse and made to pay money. According to reliable sources, the policemen were given ticket-issuing authority in order that they may be compensated for the loss of income on account of the removal of hawkers and vendors from the streets of Karachi. We want to draw the attention of the traffic authorities to this and demand that the situation be corrected. [Text] [Karachi JASARAT in Urdu 2 Jul 81 p 3] 9612

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